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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JANUARY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of January, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

none

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Joseph Ravane, Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC).

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of June 24, 1980, as distributed as mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of December 22, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the minutes of the closed session meeting of December 22, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the special meeting of October 19, 1981, as distributed by mail to the Commissioners, be approved.

Ms. Blomquist indicated that she believed when the Commissioners asked

APPROVAL OF MINUTES (continued)

questions, those questions should be included in the minutes with the name of the Commissioners listed individually and not as a group. Mr. Sinclair indicated that it was his understanding that the Commissioners should be recorded when they indicate they would like to be recorded or when they take a stand in terms of a yes or no vote on an item. However, as Secretary, Mr. Sinclair indicated he would be pleased to record anything the Commission would like to have recorded, but perhaps a meeting to discuss this was in order.

Ms. Berk indicated that it was her understanding that Ms. Blomquist would like to have the questions included in the minutes as well as the answers, and Ms. Blomquist indicated affirmatively.

Mr. Lee indicated his agreement with Ms. Blomquist stating that when certain issues come up and the same party comes before us those questions have been asked once or twice before, we can look back at the minutes.

Mr. Sinclair indicated that it is his understanding that is why we tape the minutes of the meetings, so if we need to check, we can use the tape to do so, but since he had only been Secretary for a few months he was going on the basis of what he understood was an understanding between staff and the Commission, and again, he indicated that he would do what ever the Commission wished in terms of these minutes, but in terms of future minutes he would appreciate the opportunity to meet and resolve the issue.

Ms. Berk indicated that would be helpful and she stated that the minutes are used as a historical record for the Commissioners and believes it helpful as Mr. Lee said that when a matter has previously come before the Commission they can look back in the minutes and see what questions they asked before. It is certainly a guide for the Commissioners and it is as appropriate to identify the Commissioners as it is to identify staff.

Mr. Hamilton indicated he would arrange to discuss this with President Berk and perhaps Vice President Lee. This is a matter that has undergone a variety of changes and treatments and a deliberate effort has been made to shorten the minutes, some of which dealt with comments that would be included and those that would not.

Ms. Berk indicated that all of the present Commission should make known their wishes as to what form they want the minutes to be in.

REPORT OF THE PRESIDENT

President Berk wished everyone a Happy New Year, indicated the Agency was starting the new year in an exciting fashion and highlighted some of the past year's activities:

The year ended with the successful opening of the Moscone Center and in the month prior to that the developers for Olympia and York came forth

REPORT OF THE PRESIDENT (continued)

with three alternative proposals for the Central Blocks in Yerba Buena Center. There was considerable public participation in the review of the proposals with some very interesting and tense meetings until the decision was made. Yerba Buena is really moving ahead now.

There were several particularly enjoyable occasions when the Commission: visited people who had moved into Mariners Village in Hunters Point; attended the recent Kimochi ground breaking, and the topping off of the Opera Plaza development in the Western Addition. Also, development is going forward with the Fillmore Commercial Center in the Western Addition.

And, it is noteworthy, that the Agency's Rincon Point - South Beach Project has moved into execution and we shall see people moving into the Stockton/Sacramento Project in the near future.

There is a lot of progress going on all over the City, which this Agency is involved in and it is very exciting.

I appreciate and take pride in being allowed to serve on this Commission and with these Commissioners.

During this past year, we have added three new Commissioners. Walter Newman joined us at the beginning of the year and, as former President of the City Planning Commission, has brought a great wealth of experience to this Commission.

Haig Mardikian, who replaced Willie B. Kennedy when she was appointed by the Mayor to take the late Ella Hill Hutch's seat on the Board of Supervisors, has not only brought expertise in business, but uniquely among us, has served as a Charter Commissioner giving him knowledge of City Government.

When Rubin Glickman left the Commission we were indeed fortunate to have Jesse Arnelle join us, bringing to the Commission his valued experience in community affairs and as an attorney. And now, we have no place to go but up.

UNFINISHED BUSINESS

- (a) Resolution No. 463-81, authorization to execute an Agreement with Marathon Development which provides up to a \$3.5 million contribution for the Cypress Grove Cooperative Development; Hunters Point Project Area.

This item, which was continued from the December 22nd meeting, is regarding an Agreement between Marathon Development and the Agency on the \$3.5 million contribution for the Cypress Grove Cooperative development.

UNFINISHED BUSINESS (continued)

It is recommended that this item be further continued to January 12, 1982. This continuance will allow for the results of the Planning Commission's consideration on January 7 of housing credits desired by Marathon as a result of their contribution to Cypress Grove.

If the Planning Commission's decision is favorable the Agency Commission will be asked to act on the Agreement, which will be prior to Marathon Board of Directors action anticipated shortly after January 12, 1982.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

NEW BUSINESS

(a) Election of officers.

President Berk noted that the Agency's Bylaws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. Those positions consist of President, Vice President, Secretary, Treasurer, Executive Director and Deputy Executive Director. She then opened the meeting for nominations for Officers of the Agency for the year of January 1, 1982 to December 31, 1982.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT ALL OFFICERS OF THE AGENCY BE REELECTED AS FOLLOWS:

Charlotte Berk, President; Melvin D. Lee, Vice President; Lloyd E. Sinclair, Secretary; Harold Bell, Treasurer; Wilbur W. Hamilton, Executive Director; and Redmond F. Kernan, Deputy Executive Director.

(b) Resolution No. 1-82, authorizing issuance of Purchase Order to Olympic Foundry Company for auxiliary water supply system materials for the Fillmore Neighborhood Commercial Development; Western Addition A-2.

Authorization is requested of a purchase order with Olympic Foundry Company to provide auxiliary water supply system materials for the Fillmore Neighborhood Commercial Development, in an amount not to exceed \$48,631.95.

The LDA with Safeway provides for conveyance of a cleared site by July 1, 1982 and a site clearance contract to accomplish this is being prepared to go out to bid in the next 3 weeks, with an anticipated start date of March 1. This contract will provide for relocation of various utilities at Ellis Street including a City auxiliary water supply system main. The fittings for this work require a long lead time for fabrication and their purchase must

NEW BUSINESS (continued)

be initiated now so they will be available during construction.

Though the Agency went through two bidding processes, no bids were received on the first and only one bid was received on the second, which was from Olympic Foundry Company. Their proposal has been reviewed by a member of the Mechanical Section of the Department of Public Works who advised the bid is reasonable.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-82 BE ADOPTED.

- (c) Resolution No. 2-82, authorizing a Letter Agreement with the Department of Public Works for design of a left turn facility from Geary Boulevard to Webster Street; Western Addition A-2.

Authorization is requested of a Letter Agreement with DPW for design of the left turn on Geary Boulevard to Webster Street in an amount not to exceed \$24,000. These funds will be provided from the UDAG Grant.

One of the provisions of the Fillmore Neighborhood Commercial Development is a left turn from Geary Boulevard to Webster Street. Since DPW is the City department responsible for maintenance and operation of all traffic control devices and to be reasonably confident that safety is properly considered, the Agency is requesting that DPW perform the design for this turn facility.

Ms. Mary Rogers, Chairperson, WAPAC, inquired if there would be an impact study done on the left hand turn lane at Geary and Webster and Mr. Demetrio Salvador, Chief of Engineering, indicated that a survey would be done by the Department of Public Works. Mr. Hamilton stated that the Agency and DPW were both concerned with obtaining a design and construction that would satisfy all safety concerns and the results of the survey would be shared with the Commissioners and WAPAC.

Ms. Rogers inquired as to when Safeway's design would be ready to look at and Mr. Gene Suttle, Area Director, indicated that WAPAC had been shown Schematic drawings on December 10, it is expected that further drawings will be ready in the near future and that final construction drawings are due April 30, 1982. Also, that future drawings will be shown to WAPAC's Planning and Development Committee and the Commission.

Mr. Newman requested that City Planning be given an opportunity for input into the design of the left hand turn lane as early as possible and Mr. Hamilton indicated that would be done.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-82 BE ADOPTED.

Ms. Mary Rogers and Mr. Benny Stewart, WAPAC, complimented

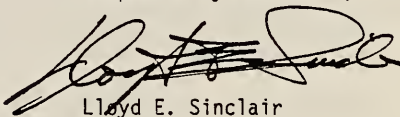
NEW BUSINESS (continued)

President Berk on the job she had been doing and that it had been a pleasure working with her during the past year.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Lloyd E. Sinclair', written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

January 12, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JANUARY 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of January, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnelle
- Dian Blomquist
- Leroy King
- Haig G. Mardikian
- Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were James San Jule, Marathon; Father Sullivan and Joseph L. Landry, All Hallows Development Corp.; William Lightbourne, Catholic Social Service; and Eileen Henriques, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of September 16, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the special meeting of December 8, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 5, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On tomorrow's Board of Supervisors' Finance Committee Calendar, a

REPORT OF THE EXECUTIVE DIRECTOR (continued)

resolution authorizing the expenditure of \$1.3 Million in CD Funds to the North of Market Hotel from the Rincon Point - Redevelopment Project, if necessary, as an advance and its return from program income received from the Fillmore Neighborhood Commercial Development Project. Staff will be covering this item.

- (b) The City has executed the City-Agency 1982 Community Development Agreement providing for our 1982 CD Budget at the level of \$8,649,534, the same as approved by the Board of Supervisors last October 13, 1981.
- (c) The reception for the newly re-elected officers will follow the meeting in the 4th floor conference room. Your presence is requested.

UNFINISHED BUSINESS

- (a) Resolution No. 463-81, authorizing execution of an Agreement with Marathon Development which provides up to a \$3.5 million contribution for the Cypress Grove Cooperative Development; Hunters Point.

Authorization is requested of a Contribution Agreement with Marathon Development California Inc., which provides for their payment to the Agency funds necessary to finance the construction of the Cypress Grove Development in Hunters Point.

On January 7, the Planning Commission of the City and County of San Francisco gave preliminary approval of Marathon's entitlement to 707 housing credits, one credit for each bedroom to be produced in Cypress Grove, in return for their contribution of monies necessary to fund the gap between the cost of the project and the amount of the HUD insured mortgage, up to a maximum of \$3.5 Million.

Since the City will only give its final approval of the credits at the time of initial endorsement of the FHA mortgage, the Contribution Agreement provides that the money be returned to Marathon should the initial endorsement not occur for any reason.

Ms. Blomquist inquired what the total project was going to cost, what is needed to meet the gap and how it will be filled and Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated that since HUD has not issued a firm commitment all the numbers are approximate. Nineteen and one-half Million will be the mortgage from HUD, \$3.5 Million will come from Marathon and \$1.2 to \$1.5 Million will come from CD funds, which will fill the approximate \$5 Million gap.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 463-81 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcels G, H and J, located northeasterly of Hudson Avenue and Ingalls Street; Hunters Point.

Resolution No. 3-82, authorizing execution of Agreement for Disposition of Land for Parcels G, H and J to Cypress Grove Housing Corporation, approving the disposal price and ratifying the publication of a Notice of Public Hearing; Hunters Point.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed conveyance of Parcels G, H and J, Hunters Point.

Since this item was calendared, it has been determined necessary that a new entity be sought to become the non-profit developer of Cypress Grove and exclusive negotiations with that developer be requested which is the subject of Item 9 (b). During the exclusive negotiations an LDA will be executed and brought back to the Commission for their consideration.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (a) BE TABLED.

- (b) Resolution No. 4-82, authorizing the Executive Director to enter into exclusive negotiations with All Hallows Community Development Corporation (AHCDC) for Parcels G, H and J; Hunters Point.

Authorization is requested to enter into Exclusive Negotiations with All Hallows Community Development Corporation for development of the Cypress Grove Housing in Hunters Point.

The Agency had been proceeding with the understanding it could act as Developer/Sponsor, but HUD indicated that if the Agency desires to issue tax-exempt bonds it is necessary for a separate entity to act as Developer of the units.

Staff is recommending that AHCDC be designated as the Developer and HUD staff has verbally approved this designation.

With your authorization to enter into Exclusive Negotiations for 30 days, Agency staff will request that HUD process the FHA firm commitment. Also during this time an LDA will be processed and a Public Hearing on execution of the LDA calendared for your consideration at the meeting of January 26 or February 2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-82 BE ADOPTED.

- (c) Resolution No. 5-82, authorizing reimbursement to David Stoloff, Senior Development Specialist, for moving expenses incurred in moving from Tennessee to California associated with the acceptance of employment with the Agency.

Authorization is requested to reimburse the moving expenses of David Stoloff, Senior Development Specialist, in an amount not to exceed \$2,100.00.

When Mr. Stoloff accepted employment with the Agency in April, 1981, he was living in Washington, D.C., but still owned a home in Knoxville, Tennessee where most of his household goods were in storage. Over the Christmas Holidays Mr. Stoloff took personal leave to return to Knoxville and arranged to have his personal goods packed and moved and he is now requesting reimbursement of those expenses including the cost of his transportation.

Mr. Stoloff has been with the Agency eight months and has proven to be a valuable employee who is likely to be with the Agency for a considerable number of years. The Agency has paid similar expenses for other employees who have moved long distances to accept employment.

The requested funds are in a reasonable amount and are available from the current budget.

Mr. Newman inquired if reimbursement was normally requested after employment is accepted or was it usually done during negotiations of the terms of employment and Mr. Hamilton indicated it is normally done during negotiations of the terms of employment.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Ms. Eileen Henriques, a property owner at 1935 Ellis Street, expressed concern about the properties surrounding her's and vacant rehabilitated buildings in Western Addition A-2 and that she did not understand what the Agency was doing and Mr. Hamilton indicated he would have a definitive briefing on the Agency's program in the Western Addition provided for Ms. Henriques.

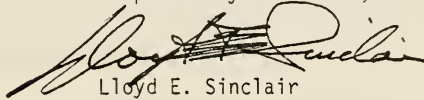
Ms. Blomquist stated her concerns about the rehabilitated buildings remaining vacant and requested this matter be expedited and Mr. Hamilton indicated that it is a prime concern of staff but could not be moved further along until funds are available.

Minutes of a Regular Meeting, January 12, 1982

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

January 19, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JANUARY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of January, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

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none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Dave Snyder, Peat Marwick Mitchell & Co.; Audrey Andrews, Olie Mae Rogers, Jeanette Wiseman, Joint Housing Committee; Joseph Skiffer, Foxcroft; Mary Helen Rogers, Joseph Ravarra, Benny Stewart, Western Addition Project Area Committee (WAPAC); Ralph Anderson, Ralph Anderson and Associates; John Douglas, Laventhol and Horwath; Robert Speer, Beideman Area Neighborhood Group; and Eileen Henriques, James H. Pye, Jr. and Pete Fitzsimmons, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of July 14, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 12, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

(a) At the Board of Supervisors meeting yesterday, the Supervisors

REPORT OF THE EXECUTIVE DIRECTOR (continued)

approved the resolution authorizing the allocation of \$1.3 Million in CD Funds to the North of Market Hotel from Rincon Point - South Beach Redevelopment Project, if necessary, and the return of the \$1.3 million to Rincon Point - South Beach from program income received from the Fillmore Neighborhood Commercial Development Project.

- (b) On today's planning, Housing and Development Committee calendar was Supervisor Walker's resolution regarding Yerba Buena Center, as it related to the EIR, the GSA site and other information items. Staff responded to Supervisors' questions concerning these items. However, another resolution, which staff had not previously seen, was introduced seeking information on the YBC Central Blocks Development and the Olympia and York negotiations. It was brought to the Committee's attention that such information would first have to be brought before the Agency Commission and that since negotiations are ongoing with Olympia and York, much of the information sought has to remain confidential. Both of the resolutions were approved by the two Supervisors present, Supervisor Britt and Supervisor Walker (Supervisor Ward was not present), and will be considered by the full Board on February 8, 1982.

NEW BUSINESS

- (a) Resolution No. 6-82, authorizing an Agreement with the Western Addition Project Area Committee (WAPAC) as the Project Area Committee for the Western Addition A-2 Project area; and authorizing the Executive Director to amend said Agreement, increasing the budget amount, subject to the approval of the Mayor's Office of Housing and Community Development; Western Addition A-2.

Authorization is requested to enter into a contract with the Western Addition Project Area Committee (WAPAC) in the amount of \$154,365.00. This contract covers the period from January 1 to December 31, 1981 and supersedes the First Amendment to the 1981 Agreement, which gave a one-month extension through January 31, 1982.

WAPAC, the official community participation organization for the Western Addition, is responsible for representing the residents and businesses of that area in all Agency-related activities.

The current contract remains consistent with the terms of the 1981 contract and one part-time position was eliminated by mutual agreement to accommodate the budget restraints for 1982.

The Commission approved a 1982 budget for WAPAC of \$146,625, which was subsequently approved by the Board of Supervisors. WAPAC has requested the amount be increased by \$7,740. This increase can come either from a transfer of funds from elsewhere in the Western Addition 1982 budget or from WAPAC carryover funds. It is believed that a WAPAC budget of \$154,365 is reasonable for citizen's participation activities in the Western Addition given the anticipated 1982 project program.

NEW BUSINESS (continued)

This increase is also subject to the Mayor's Office of Housing and Community Development approval, which has been verbally indicated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-82 BE ADOPTED.

- (b) Resolution No. 7-82, authorization to award to Peat, Marwick, Mitchell and Company of the audit of the Agency's Community Development and Federal Categorical programs at a total cost not to exceed \$19,500.00; All Projects.

Authorization is requested to award the audit of Community Development and Federal Categorical Programs for a 12-month period ending December 31, 1981, to the low bidder, Peat, Marwick, Mitchell and Company in the amount of \$19,500.00.

Proposals were solicited from eighteen CPA firms and six responded with the Peat, Marwick, Mitchell and Company the low bidder. They have provided a similar audit in a satisfactory manner and staff recommends your approval.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-82 BE ADOPTED.

- (c) Resolution No. 8-82, authorization to negotiate a Personal Services Contract with the firm of Ralph Anderson and Associates for financial consultant services for the Rincon Point - South Beach Project and for other projects.

Authorization is requested to negotiate a personal services contract with Ralph Anderson and Associates to prepare a project financing plan and to provide general financial advisory services for the Rincon Point - South Beach Project, as well as a general assessment of financing for other projects.

This financing plan is needed because the project is large, complex and expensive and traditional funding sources are becoming increasingly limited. Also, during this process, staff concluded that those sources are also limited for our other projects, therefore, the draft scope of work sent to you November 10, 1981 is amended to include an overview of project funding possibilities and an analysis of financing methods for the completion of these projects.

Of the twenty-eight firms solicited, ten expressed interest, five firms were interviewed by the Agency's consultant selection review panel, who concluded Ralph Anderson and Associates best qualified to undertake the public finance aspects of the work and Laventhol and Horwath best qualified to provide services regarding private development and its relationship to project activities and financing. Staff asked and received an indication they would be willing to combine as a team with Ralph Anderson and Associates as prime consultant.

NEW BUSINESS (continued)

Your authorization is recommended to negotiate this contract which is estimated to range between \$40 to \$60,000 plus cost of on-going advisory services and staff will seek your approval of a contract if such negotiations are successful.

Mr. Wade Woods, WAPAC, requested that since this contract will now include A-2, WAPAC be kept advised regarding the firm's Affirmative Action program and Mr. Hamilton indicated that the Project Director, Frank Cannizzaro would be contacting both Project Area Committees to advise and discuss the firm's affirmative action program during the negotiations.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-82 BE ADOPTED.

- (d) Resolution No. 9-82, approving and authorizing execution of an Agreement with the Bayview-Hunters Point Joint Housing Committee as the Project Area Committee for the Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

Authorization is requested to enter into a one-year contract for citizens participation services with the Bayview-Hunters Point Joint Housing Committee (JHC) in the amount of \$115,960. This contract covers the period from January 1 to December 31, 1982 and supersedes the First Amendment to the 1981 Agreement, which gave a one-month extension through January 31, 1982

JHC is the official community participation organization for Hunters Point and India Basin and is responsible for representing the residents and businesses of those areas in all Agency-connected activities.

The current contract remains consistent with the terms of the previous contract for 1981 and has been agreed to by JHC including the proposed budget.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-82 BE ADOPTED.

- (e) Resolution No. 10-82, authorizing a Termination Agreement regarding the Agreement for Disposition of Land for private development with Clarence A. Lodge, Parcel B-8 (west side of Jennings Street between Parcel B-7 and B-4); India Basin Industrial Park.

Authorization is requested of a Termination Agreement to the Land Disposition Agreement with Clarence A. Lodge and a return of his deposit for Parcel B-8 located on the west side of Jennings Street between Parcel B-7 and B-4 in India Basin.

The LDA with Mr. Lodge was approved in July 1979; however, he is in default regarding submission of evidence of financing.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-82 BE ADOPTED.

- (f) Permission to advertise a Demolition and Site Clearance Contract for Parcels K-1 and K-2, located on Galvez Avenue between Newhall and Mendell Streets, and Parcel F-8, located northwest of Keith and Fairfax Streets; India Basin Industrial Park.

Authorization is requested to advertise Demolition and Site Clearance Contracts for three Parcels in India Basin.

Parcels K-1 and K-2 located at 1547 and 1541 Galvez each contain a vacant one-story, wood-frame commercial building.

Parcel F-8 located at the northwest corner of Keith Street and Fairfax Avenue is the present site of Independent Oil Company whose relocation is expected to be completed by February 1. This site will require demolition and site clearance of two sheds, a retaining wall and underground oil tanks.

There are not yet designated developers for these sites, however; staff is engaged in negotiations with developers for their development. Clearance of these sites will eliminate the potential hazards and unauthorized uses plus improve the marketability of the sites.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT PERMISSION TO ADVERTISE THE SUBJECT DEMOLITION AND SITE CLEARANCE CONTRACT BE APPROVED.

- (g) Resolution No. 11-82, travel authorization for Wilbur W. Hamilton, Executive Director, and Helen L. Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C. January 29 through February 2, 1982 to attend the NAHRO National Board of Governors' meeting and the NAHRO Fourth Annual Legislative Conference.

Authorization is requested for Helen Sause, Project Director, YBC, and Wilbur W. Hamilton, Executive Director to travel to Washington, D.C. to attend NAHRO's National Board of Governors' and Community Revitalization and Development Committee meetings and the National NAHRO Legislative Conference January 29 through February 2, in an amount not to exceed \$2,500.

Both Mrs. Sause and Mr. Hamilton will be participating in the National CRAD Committee and Board of Governors' meetings, which will provide an opportunity for meeting with Congressional representatives. Administration proposals for CDBG appropriations which will be before Congress at that time will have a critical effect on the Agency's ability to carry out its activities and as reported to you following Mr. Hamilton's last trip to Washington, efforts must be made to prevent additional funding cuts in our program.

The Agency also has a number of issues needing attention at the

NEW BUSINESS (continued)

national level, which include historic preservation concerns and the GSA site in Yerba Buena Center and the 300 units in Hunters Point.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Mary Rogers, Chairperson, WAPAC, protested the proposed demolition of buildings on McAllister Street in the State Office Building site, as it is not known when the State will proceed with construction and because it looks bad to have vacant lots. Mr. Mills explained that it has been anticipated that those buildings would not be demolished until construction of the State Office building was more certain, however the contractor informed staff it would cost more money to wait to demolish certain buildings on the site and staff is planning to utilize the site for interim parking purposes, which will be of considerable benefit to the Agency.
- (b) Resolution No. 12-82, authorizing the Executive Director to grant limited time extensions for submissions and processing of owner participation proposals in the Rincon Point - South Beach Redevelopment Project.

Authorization is requested for the Executive Director to grant time extensions for owner participants of the Rincon Point - South Beach Redevelopment Project during each of the time periods provided in the Owner Participation Rules as long as the total extensions for any one property does not exceed 180 days.

Current submission deadlines are:

Development proposal 120 days after Agency request
Agency acceptance within 60 days after receipt of proposal
OP Agreement entered into 180 days after proposal accepted
Detailed plans prepared within 18 months of the OP Agreement
One extension has been requested and others are expected. The rules do not provide for extensions and rather than return to the Commission for each extension it is recommended that the Executive Director be given the authority to grant extensions up to ninety (90) days for each of the submission deadlines with a maximum extension time for 180 days for each property.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-82 BE ADOPTED.

- (c) Mr. Robert Speer, representing the Beideman Area Neighborhood Group, read a letter concerning an item that would be on next week's agenda from Noni Richen, Co-Chairman of that group, protesting the use of the vacant lot at Ellis and Divisadero being used as a parking lot by Cal State Patrol. The group welcomes the security firm into the area but recommended they use the parking lot at O'Farrell and Divisadero.

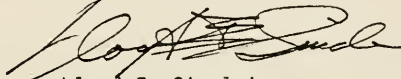
MATTERS NOT APPEARING ON AGENDA (continued)

President Berk indicated that the Commission so noted the protest.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

February 16, 1982

MAY 3 1982

SAN FRANCISCO
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JANUARY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City and County of San Francisco, California at 4:00 o'clock p.m. on the 26th day of January, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Leroy King
Haig G. Mardikian
Dian Blomquist
Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); A. Ergina, Yerba Buena Foundation; Mary D. James, Fillmore Complex Association; and Eileen Henriques, Arnold G. Townsend and Roslyn Baltimore, interested citizens.

NEW BUSINESS

- (a) Resolution No. 13-82, requests authorization of a First Amendatory Agreement for an extension of 90 days to the Land Disposition Agreement (LDA) with El Bethel Terrace, Inc. for Parcel 774-C located on the southwest corner of Fillmore and Golden Gate in the Western Addition A-2.

An LDA was entered into in June of last year with El Bethel who proposes to build 100 one-bedroom elderly housing units and retail commercial space. The developer proposed to use the Section 202 Direct Loan Financing Program with Section 8 rental assistance, but HUD has informed them they are ineligible for Section 202 because HUD regulations indicate the maximum mortgage amount is only \$6,085,300, but the estimated replacement costs are \$8,142,486. In order to be eligible, El Bethel will attempt to raise additional money from private sources and will consider the redesign of the development to lower the cost. El Bethel is now requesting an

NEW BUSINESS (continued)

additional ninety (90) days to provide evidence of financing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-82 BE ADOPTED.

- (b) Resolution No. 14-82, approving extension of exclusive negotiations with Third Baptist Church, Parcel 750-A; located in the block bounded by Golden Gate Avenue and Eddy, Steiner and Fillmore Streets; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, Item (b) would be continued for one week. There being no objection it was so ordered.

- (c) Resolution No. 15-82, requests authorization to extend exclusive negotiations with Yerba Buena Foundation for sixty days to March 23, 1982 to develop 72 partially subsidized, limited equity cooperative housing units on Parcels 728-A, E and J located at the southeast corner of O'Farrell and Scott Streets in the Western Addition A-2.

In September of last year the Agency granted an extension to permit the developer to attempt to obtain HUD-FHA mortgage insurance for the 43 units not subsidized through the State of California Department of Housing and Community Development Rental Housing Construction Program. HUD extended its completion of their application from the deadline of December 31, 1981 to January 22, 1982. HUD's firm commitment approval of the mortgage insurance was approved last Friday which will now permit the sponsor to apply for GNMA-FNMA Tandem financing, which is available at this time at interest rates comparable to the SB-99 program.

The developer will now apply for the Tandem financing and therefore needs the sixty day extension.

Mr. Steve Parliament, John Stewart Company, stated that one-third of the units were subsidized and two-thirds were unsubsidized.

Ms. Blomquist inquired about the price of subsidized units, and Mr. Parliament responded that the average price would be \$60,000. Ms. Blomquist asked whether the unsubsidized units would be more expensive than the subsidized ones, and Mr. Parliament responded that all prices would be the same. The downpayment for the unsubsidized units would be \$1,000 to \$3,000 or two to three percent of the purchase price.

Mrs. Eileen Henriques, resident of Western Addition A-2, wanted to know who would qualify for the subsidized/unsubsidized units, and Mr. Parliament responded that that would be determined by incomes. He stated that one-third of the subsidized units will go to people in the 50-80 percent median income range. He said there would be a screening prior to interviewing prospective owners of subsidized units and if there were more applicants than anticipated, a lottery might take place. Mr. Ergina, President of the Yerba Buena

NEW BUSINESS (continued)

Foundation, stated that preference will be given to certificate holders.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-82 BE ADOPTED.

- (d) Resolution No. 16-82, requests ratification of the action of the Executive Director to reserve funds in the amount of \$230,154.00 in the current Western Addition A-2 budget to permit HUD Firm commitment to finance construction of the 72-unit Yerba Buena Village; Parcel 728-A, E and J; southeast corner of O'Farrell and Scott Streets; Western Addition A-2.

In companion agenda item 9-c you approved an extension of exclusive negotiations to permit the sponsor to obtain a HUD firm mortgage commitment and to apply for FNMA-GMNA tandem financing. The deadline was January 22. The sponsor met with staff and the Office of Housing and Community Development on January 21 to review added funding requirements identified by HUD and to find means to meet the permit processing deadline. Staff reviewed the current A-2 budget and determined that remaining funds could be borrowed from rehabilitation loan back-up reserves.

Staff will develop an agreement with the Yerba Buena Foundation identifying specific expenditure items and requiring that unused funds remain with or be returned to the Agency.

Financing construction of housing for low to moderate income households is becoming increasingly difficult. You may recall that the State Department of Housing and Community Development committed both construction and long-term rent supplement funds for 30 of the 72 units proposed for this development. The Mayor's Office of Housing and Community Development agreed to the proposed shift of funds so that the State funding will not be lost and the housing will be produced.

It appears reasonable to anticipate that funds to be transferred will not be needed and thus be available for their original intended use upon completion of Amancio Ergina Village.

Mr. Arnelle inquired about the principals of the Yerba Buena Foundation and the location and prime business of the Foundation. Mr. Ergina responded that there are four trustees, the Foundation is located in San Francisco and its prime business is housing for low and moderate income persons.

Ms. Blomquist requested to see the document approving Amancio Ergina and other backup information.

Mr. Robert Reece, Deputy Area Director, Western Addition A-2 responded that this information would be provided.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-82 BE ADOPTED.

- (e) Resolution No. 17-82, authorizing extension of time with Catalyst Financial Corporation for the agreement regarding the A-1 Plan Change to permit construction of 150 new housing units in Western Addition A-1 and rehabilitation of 25 housing units in Western Addition A-2.

9-e requests authorization to amend the agreement with Catalyst Financial Corporation to provide an extension of 60 days for the development of an Owner Participation Agreement.

The Agreement provided for the construction of 150 new market rate housing units on the parcel at Post and Gough Streets in A-1. The Agreement required the developer to enter into an OP Agreement for this property within 60 days following approval of the A-1 Redevelopment Plan Amendment or by January 30, 1982. Since the plan amendment, the developer concluded their architect would not be able to produce a design acceptable to the Agency in a reasonable period of time and terminated the architect's services. In mid-December the developer retained another architectural firm to carry out the design. This has meant a delay in the entire process and the design is not far enough along to allow the developer and the Agency to set a realistic schedule that would be part of the Owner Participation Agreement. Concurrence with the developer's request for a 60 day extension to March 31, 1982 is recommended since design quality is of great importance.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-82 BE ADOPTED.

- (f) Resolution No. 18-82, requests authorization of exclusive negotiations for 60 days with Catalyst Financial Corporation for purchase and rehabilitation of 25 residential units located in four buildings at 1917 and 1985 Ellis Street and 1915 and 1353-67 Eddy Street; Parcels 1127-F, 748-B, 1129-0 and 1127-L; Western Addition A-2.

After a review of agency owned property which had been included in the Agency's in-house condominium program, and after consultation with WAPAC, the developer and staff agreed that these four buildings will provide a good mix of units including one 6-bedroom unit, nine 3-bedroom units, eleven 1-bedroom units, and four studio apartments. The Agency will provide for the subdivision of the buildings, assist the developer in the marketing and selection of the purchasers, and include these units in the overall management program being developed for the Agency's in-house condominium program.

A moderate income marketing program must be developed within 45 days of the subject resolution and it will follow the same requirements

NEW BUSINESS (continued)

now being developed for the Agency's in-house affordable condominium program. Two major points to be resolved during negotiations are: to determine the exact selling price; and to develop a mechanism that will insure the units are affordable to families of moderate income.

To be truly affordable, the selling price will be well below the actual value and the difference between the selling price and actual value will be recaptured through a deferred mortgage or shared appreciation program. These funds could then become a contribution to the Agency's housing development fund to assist the continued production of affordable units.

During the period of exclusive negotiations, schematic plans will be prepared and the Developer will establish its financial capacity for carrying out the project.

After the 60 day exclusive negotiations, a public hearing will be called and the Commission will be requested to approve an LDA. Rehabilitation is expected to begin by June and be phased over 18 months.

Mrs. Eileen Henriques inquired whether Items (e) and (f) were the same. Mrs. Berk responded that the items were separate and would be addressed separately.

Mrs. Eileen Henriques commented she was concerned at the difficulty in getting funds to rehabilitate existing units. Mr. Hamilton said he was surprised at Mrs. Henriques' statement since he had personally briefed her on the subject.

Mr. Mel Haynes, former owner of 1985 Ellis, proposed that the Commission reject the agreement or include him as a potential developer.

Mr. Lee inquired if Mr. Haynes was a previous owner and a Certificate Holder and Mr. Haynes responded that he was a prior owner and not a Certificate holder.

Ms. Blomquist inquired if Mr. Haynes would live in this building or use it as an investment and Mr. Haynes indicated the latter.

In response to Ms. Blomquist's inquiries on other available structures, Mr. Suttle noted several and advised that a list had already been given to Mr. Haynes.

Mr. Suttle reviewed the Agency's record as discussed with Mr. Haynes and the ownership records of 1985 Ellis Street.

Mr. Hamilton stated that Mr. Haynes does not fall within the rules of the reacquisition policy. Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), expressed her support of Catalyst

NEW BUSINESS (continued)

Financial Corporation.

Mrs. Berk stated that since Mr. Haynes could not qualify for this particular building, she hoped he would find an opportunity to pursue other buildings.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-82 BE ADOPTED.

- (g) Resolution No. 19-82, requests authorization to extend exclusive negotiations for ninety (90) days with Fillmore Complex Associates for the rehabilitation of 31 residential units and ground floor commercial at 1101 Fillmore Street in the Western Addition A-2.

The Agency approved the exclusive negotiations in July 1981 with an extension granted in October 1981, to provide additional time to confirm expected costs associated with the rehabilitation. In December 1981 the Agency approved the tax-exempt bond inducement resolution and since that time the developer and staff have contacted several potential lenders with First Interstate Bank expressing an interest in funding the loan required.

A major condition of exclusive negotiations was that 40% of the ownership interest in the partnership be Western Addition Certificate Holders. Because of this requirement it is expected that there will be a number of smaller, perhaps less sophisticated, investors as partners and therefore the General Partners are being cautious and conservative about putting together information for the partnership offering. Upon advice of their counsel, the developers have not opened marketing efforts until the parameters of the loan were known, and the bank did not respond until January 15. The General Partners are now ready to go forward and expect it will require at least 90 days. Since they must prove availability of equity capital by February 1 they are requesting this extension.

Staff believes the developer has been conscientious in moving this project forward and their design and construction related documents have been submitted in a timely fashion as has their Affirmative Action statement.

Ms. Blomquist stated that neither Ms. James nor Mr. Haynes were certificate holders and asked why Ms. James' proposal was being approved and Mr. Haynes' not. Mr. Hamilton explained that Ms. James' situation was quite different since her business would be owner-occupied.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-82 BE ADOPTED.

- (h) Resolution No. 20-82, approving additional expenditure of funds in an amount not to exceed \$4,000 for expenses related to the temporary move of Independent Grocery; Yerba Buena Center.

NEW BUSINESS (continued)

Authorization is requested to expend an additional amount not to exceed \$4,000 for expenses related to the temporary accommodation of Independent Grocery until permanently relocated to the Yerba Buena West building in YBC.

In January 1980 the Commission authorized an expenditure not to exceed \$28,000 for moving all personal property, rental of a modular unit and utility hookups for Independent Grocery.

Owing to the delay in Yerba Buena West's construction schedule and because it will take approximately four months to plan and complete modifications necessary to permit occupancy, Independent Grocery anticipates remaining at the temporary location until May 6, 1982 and therefore the additional funds for expenses are necessary.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-82 BE ADOPTED.

- (i) Resolution No. 21-82, requests authorization of a contract with Adamson Associates for construction cost estimating services in an amount not to exceed \$20,000 in negotiating the mixed-use development economic package with Olympia and York for the Yerba Buena Central Blocks.

On October 30, 1981, the Commission was provided with an estimate of the consulting contracts to conduct the YBC negotiations which included the need for ongoing cost estimation services and it was noted that the Adamson and Associates were currently being used to assist in evaluating the economic proposal submitted by Olympia and York.

Adamson was selected after soliciting expressions of interest from four cost estimators and staff interviews of those firms.

Adamson Associates has extensive experience in commercial mixed-use projects and the YBC core negotiating team will continue to require their expertise through the negotiating process.

Staff recommends Adamson as the best qualified firm to assist the Agency in this highly specialized element of the Agency's analysis of the developer's economic package.

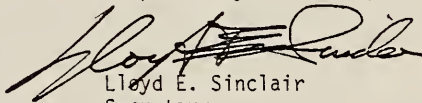
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-82 BE ADOPTED.

Minutes of a Regular Meeting, January 26, 1982

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

March 9, 1982

5

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF FEBRUARY 1982

2 The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of February, 1982, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnelle
Dian Blomquist
Haig G. Mardikian
Walter S. Newman

and the following was absent:

Charlotte Berk, President (arrived at 5:05 p.m.)
Leroy King (arrived at 4:30 p.m.)

The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Linda S. Crayton, Houston Hodges, San Francisco Presbytery Church; Reverend Amos C. Brown, Ernerst L. Olven, Third Baptist Church; Don Bryant, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Elliot Stein, William-Keubelbeck; Rich Dornhelm, Winzler & Kelly; and Essie Collins, interested citizen.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is in Washington, D.C. at NAHRO meetings on proposed 1983 Budget reduction proposals by the Administration being considered by Congress.
- (b) Yesterday's Board of Supervisors' calendar showed two resolutions regarding Yerba Buena Center, which were reported out of the Board of Supervisor's PH & D Committee. As agreed upon, these resolutions were continued until next Monday's Board of Supervisors' meeting on February 8.
- (c) Last week WAPAC held elections for Board Members and the results were: Mr. Don Bryant was elected Chairperson; Mr. Joseph Ravarra, Vice Chairperson; Mr. Pleasant Carson, Jr., Secretary; and Zeke Johnson, Treasurer.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (d) A remarkable degree of real integration has been achieved in the market rate rental housing of Wicklow Manor in A-2, whose developer is Mr. Michael O'Neill. Of the 85 units, 13 households are Black; 12 are Asian; 13 are Hispanic, 44 Caucasian, and three units are vacant.
- (e) There will be a Board of Supervisor's Planning, Housing and Development (PH & D) meeting regarding the 90-day Community Development Budget review on Wednesday, February 3, 1982.
- (f) The City's 1892 Community Development Block Grant (CDBG) entitlement has been reduced from \$25 million to \$23 million and this will require a revised CDBG application to HUD with adjustments in the funded programs to make up the \$2 million. It is likely that this matter will also be considered as part of the 90 day Budget review.

UNFINISHED BUSINESS

- (a) Resolution No. 14-82, approving extension of exclusive negotiations with Third Baptist Church, Parcel 750-A; located in the block bounded by Golden Gate Avenue and Eddy, Steiner and Fillmore Streets; Western Addition A-2.

Authorization is requested to extend Exclusive Negotiations for 90 days with Third Baptist Church until April 13, 1982 for development of the parcel located in the block bounded by Eddy, Fillmore, Turk and Steiner Streets.

This development is for the construction of a sanctuary, day-care center, elementary school and multi-purpose community activities building, with a portion of the Fillmore Street frontage devoted to retail commercial use.

Staff has recently completed review of Third Baptist's phased development program and found several problems that need to be corrected before schematic drawings are finalized. The developer has requested an additional 90 days in order to complete the Schematic Design phase and to be in a position to execute an LDA.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-82 BE ADOPTED.

Reverend Amos Brown, Third Baptist Church, requested the Commission's support of this item.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcels G, H & J; northeast corner of Project Area; Hunters Point.

Resolution No. 22-82, authorizing execution of Agreement for Disposition with All Hallows Community Development Corporation for Parcels G, H & J; located at the northeast corner of Project Area, and ratifying the publication of the Notice of Public Hearing; Hunters Point.

NEW BUSINESS (continued)

Acting President Lee opened the public hearing to hear all persons interested in this matter.

This item is regarding the Land Disposition Agreement (LDA) with All Hallows Community Development Corporation for development of Cypress Grove in Hunters Point. Staff has requested this item be continued for one week.

There being no persons wishing to appear in connection with this matter, Acting President Lee declared the public hearing closed.

RULE OF THE CHAIR: Acting President Lee indicated that subject to the objection of any Commissioner that action on this item would be continued for one week. There being no objection it was so ordered.

- (b) Public Hearing to hear all persons interested in the proposed substitute Land Disposition Agreement for Parcel 1128-B, southeast corner of Eddy and Divisadero Streets; Western Addition A-2.

Resolution No. 23-82, authorizing execution of a substitute agreement for Disposition of Land for private development with the Presbytery of San Francisco for Parcel 1128-B (southeast corner of Eddy and Divisadero Streets); approving the disposition price and ratifying the publication of the Notice of Public Hearing; Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in this matter.

This item is regarding a substitute LDA with the Presbytery of San Francisco for the Parcel located on the southeast corner of Eddy and Divisadero. It is requested this item be continued for one week to enable staff to incorporate the resolution of a technical issue in the LDA.

Ms. Linda Crayton, San Francisco Presbytery Church, asked for an explanation of the unresolved technical item which necessitated the one week continuation. Mr. Kernan, stated that the timing of the Performance Schedule does not indicate that the parking lot has already been built, and he further noted that this was an internal matter which would be corrected.

There being no further persons wishing to appear in connection with this matter, Acting President Lee declared the public hearing closed.

RULE OF THE CHAIR: Acting President Lee indicated that subject to the objection of any Commissioner, that action on this item would be continued for one week. There being no objection, it was so ordered.

- (c) Resolution No. 24-82, authorizing a Rental Agreement with Cal State Patrol for parking on a portion of Block 1100-T, Lot 46; northeast corner of Divisadero and Ellis Streets; Western Addition A-2.

NEW BUSINESS (continued)

Authorization is requested to enter into a rental agreement with Cal State Security Patrol Service for use of a portion of Parcel 1100-T at the corner of Ellis and Divisadero Streets, for off-street parking of security patrol and employee vehicles.

Cal State Patrol, a long time Western Addition minority-owned business, eligible for relocation benefits, is relocating from the State Office Building site to 1347 Divisadero across the street from the subject parcel.

The temporary use of this vacant parcel will not cause a delay in its proposed development for housing and commercial space and WAPAC has approved this interim use.

The Beideman Area Neighborhood Group presented a letter at the January 19 meeting objecting to use of this parcel by Cal State because they felt Cal State might not maintain the lot as had the Agency. However, the rental agreement contains language requiring the orderly maintenance of the lot and the agreement can be canceled should they not comply.

Ms. Blomquist asked who would pay for paving the lot, and Mr. Earl Mills, Deputy Executive Director, Community Services, answered that Cal State will pave the lot with gravel and pay for the work.

ADOPTION: IT WAS MOVED BY NEWMAN, SECONDED BY ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-82 BE ADOPTED.

- (d) Resolution No. 25-82, approving a one-month extension of a Lease with San Francisco Parking, Inc. for their use of Agency-owned land at the northeast corner of Howard and Fourth Streets; Yerba Buena Center.

Authorization is requested to extend for 30 days the rental agreement with San Francisco Parking, Inc. for the use of the property located at the northeast corner of Howard and Fourth across from the Moscone Convention Center.

The Agency authorized the original rental agreement for a 60-day period ending February 2, 1982 to give staff time to solicit bids. However, prior to soliciting bids, an agreement had to be reached with the Chief Administrative Officer, Facilities Management, Inc. (operators of the convention center) and Agency staff regarding the method by which priority parking for the Convention users could be ensured so that it could be incorporated into the bid documents.

That Agreement is now in place and due to the extended negotiations required, a delay resulted and it is now recommended an extension be granted for 30 days in order to receive bids and secure Commission approval of an agreement with the successful bidder. Bids will be opened on February 8 and the successful bidder should be in place to start operations by March 2.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY BLOMQUIST, SECONDED BY MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-82 BE ADOPTED.

- (e) Resolution No. 26-82, approving a resolution including certain sick leave pay from Social Security taxes; all Projects.

Authorization is requested to rescind a resolution you authorized December 1979 that established that sick leave payments made on account of personal sickness be excluded from Social Security contributions. This had been a benefit to both the Agency and employees as Social Security contributions were not deducted from personal sick leave payments resulting in a savings for the employees and the Agency.

Federal legislation has now been enacted, effective January 1, 1982, which changes the exclusion, and only after the first six months can sick leave with pay wages now be excluded from Social Security contributions.

ADOPTION: IT WAS MOVED BY ARNELLE, SECONDED BY MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-82 BE ADOPTED.

At this time, Mr. Kernan introduced Mr. Don Bryant, the newly-elected Chairperson of the Western Addition Project Area Committee (WAPAC). Mr. Bryant stated that he looked forward to working with the Commission and thanked Mary Rogers, past Chairperson of WAPAC, for her inspiration to him and the community. Mr. Lee asked Mr. Bryant how long he had resided in the Western Addition, and Mr. Bryant responded that he has been a resident since September 11, 1967. Mr. Bryant stated that he had seen buildings and people removed from the old Fillmore but hoped that new low cost housing could be provided and that the people would unite to preserve the feeling of the old Fillmore and of being part of San Francisco. Mr. Newman expressed his appreciation and gratitude to Mary Rogers for her fine contribution to the community and proposed that an appropriate resolution be done indicating that contribution.

MOTION: It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that a resolution be prepared acknowledging Mary Rogers' excellent work and contribution.

Mr. King arrived at this time 4:30 p.m.

Mr. Kernan asked for Mrs. Rogers' continued guidance, and Mrs. Rogers responded that she will remain in the community and will be available to provide assistance.

- (f) Workshop on development alternatives for the South Beach Small Boat Harbor and Park; Rincon Point - South Beach.

This workshop is to present the development alternatives for the South Beach Small Harbor and Park in the Rincon Point - South Beach

NEW BUSINESS (continued)

Redevelopment Project. Mr. Frank Cannizzaro, Project Director, is here to introduce the consulting engineers Winzler and Kelly who will make the presentation.

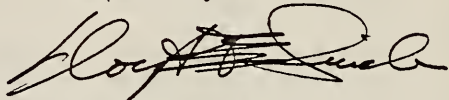
Frank Cannizzaro, Project Director, Rincon Point-South Beach, made a presentation and introduced the following people: Richard Dornhelm, Winzler and Kelly Consulting Engineers; Larry Williams, Elliot Stein, Williams & Keubelbeck and Associates; Dave Williams, Robinson Mills & Williams; Frank Berger, Harding Lawson Associates; Dr. Booker Holton, Booker Holton Associates; and Bob Larocca, Fong & Larocca and Associates.

Ms. Berk arrived at this time, 5:05 p.m.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

March 2, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF FEBRUARY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of February, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Will Lightbourne, Catholic Social Services; Fred Levinson, Levinson Bros.; Mary Helen Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); George Kung, Kung's Trading Company; Nicola Smith, Paul Faberman, Goodlett Management; Luigi Zanette, Peninsula Concrete; and Eileen Henriques, interested citizen.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) At yesterday's Board of Supervisors' meeting, two resolutions regarding Yerba Buena Center were considered. The Supervisors discussed concerns they had on the Environmental Impact Report and the negotiating aspects. Both of these resolutions were defeated.

UNFINISHED BUSINESS

- (a) Resolution No. 22-82, authorizing execution of Agreement for Disposition with All Hallows Community Development Corporation for Parcels G, H & J, located at the northeast corner of Project Area; Hunters Point.

Authorization is requested to enter into a Land Disposition Agreement

UNFINISHED BUSINESS (continued)

with All Hallows Community Development Corp. for development of 300 Section 8 multi-family cooperatives in Hunters Point.

Last month a 30-day exclusive negotiating period was authorized with AHDCDC, a nonprofit corp created by All Hallows Community Inc. for development of Cypress Grove Cooperative Homes. The Corporation will act as owner-borrower and execute the mortgage note and deed of trust to secure the mortgage loan.

The developer is pursuing all necessary approvals to proceed within the next two or three weeks, and is awaiting FHA Insurance Commitment from HUD, as well as the issuance and sale of construction loan notes and mortgage revenue bonds by the Agency.

The Agency and bond counsel continue to negotiate with underwriters to sell the notes and bonds at the most favorable rates possible.

Mr. Joseph Lejarza, Deputy Area Director, Hunters Point, indicated that in his discussions with Mr. William Lightbourne of the Catholic Social Services, All Hallows was asking that the downpayment figure of \$500,000 be reduced to \$400,000 and though staff had no problem with that they were requesting an analysis explaining the request for the \$100,000 reduction.

Mr. David Oster, Assistant General Counsel, indicated some changes in the Land Disposition Agreement, regarding the 18-month construction schedule. This schedule could now be extended to 24 months if necessary by the Executive Director, subject to the approval of HUD.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-82 BE ADOPTED.

- (b) Resolution No. 23-82, authorizing execution of a substitute agreement for Disposition of Land for private development with the Presbytery of San Francisco for Parcel 1128-B (southeast corner of Eddy and Divisadero Streets), and approving the disposition price; Western Addition A-2.

This item is in regard to authorizing a substitute Land Disposition Agreement with the Presbytery of San Francisco for the Parcel located on the southeast corner of Eddy and Divisadero in the Western Addition A-2. It is requested that this item be continued.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be continued for one week. There being no objection it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an exception (variance) to the Redevelopment Plan to Forest City Dillon, Inc., Parcel 3735-D(1); Yerba Buena Center.

NEW BUSINESS (continued)

Resolution No. 27-82, authorizing an exception (variance) to the Redevelopment Plan to Forest City Dillon, Inc., Parcel 3735-D(1); Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested of a variance to the Floor Area Ratio requirements of the Yerba Buena Center Redevelopment Plan, which is required to permit construction of housing over the YBC Garage.

This variance will permit up to an additional 75,000 square feet of floor area, which is an increase from 347,000 to 422,000 square feet maximum for the overall project size. This will increase the public parking stalls from 723 to 737 and the housing related parking from 35 to 102 stalls.

Changes in design of the garage portion of the project were required to respond to Agency staff concerns about ingress and egress, as well as additional housing related parking. Forest City Dillon, Inc., the developer conducted market studies which indicated a need for more housing related parking than had been planned originally.

It is believed that the project will be strengthened by this addition and it will not adversely affect the design quality or lead to any undesirable environmental affects. The project facade and massing will be compatible with and complement the adjacent structures and the Moscone Convention Center.

There being no persons wishing to speak on this matter President Berk declared the public hearing closed.

Mr. Newman indicated is approval of this development and would vote in favor of the increase in parking spaces.

Mr. Mardikian indicated that since he may have a conflict of interest, he would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND THAT RESOLUTION NO. 27-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Lee
Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 28-82, authorizing payment to Levinson Brothers, Inc. for Fire, Extended Coverage, Vandalism and Malicious Mischief Insurance Coverage for the 30 buildings to be rehabilitated; Western Addition A-2.

Authorization is requested to accept the proposal from Levinson Brothers, Inc. in the amount of \$41,517.36, for insurance coverage of 30 buildings to be rehabilitated in the Western Addition A-2. These buildings are valued at \$4,733,000.

Proposals were solicited from six brokers and two proposals were received, one from Levinson Brothers and the other from Marshall B. Figari whose proposal was not responsive to the solicitation, since it only specified a six month premium.

Ms. Blomquist inquired as to which buildings were under Land Disposition Agreements and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated he would provide the Commission an analysis of those buildings.

Mr. Newman indicated he would abstain from voting on this matter, although he has no financial interest in the development, he does have an insurance license from Levinson Brothers, Inc.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 28-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 29-82, authorizing amendment of the Performance Schedule for Kimball Park; Parcel 707-B, northeast corner of O'Farrell and Steiner Streets; Western Addition A-2.

NEW BUSINESS (continued)

Authorization is requested of a First Amendatory Agreement to the LDA with Goodlett Management Corporation doing business as Kimball Park for the parcel located on the northeast corner of O'Farrell and Steiner in the Western Addition A-2.

This Amendment would extend the performance dates by 90 days for development of the 20 two-bedroom condominiums to be built over a parking garage.

The development has proceeded on schedule and the developer is now waiting for the City's approval of the building permit.

The developer's representatives Nicola Smith and Paul Faberman have been diligently trying to secure evidence of financing and have contacted a series of potential lenders with their most successful negotiations being with the pension fund of International Longshoremen's and Warehousemen's Union (ILWU) who have tentatively committed to participate in this development.

The developer is now awaiting formal action by the pension fund Board of Directors and is requesting his 90-day extension in order to obtain a firm commitment.

Ms. Nicola Smith, representing Goodlett Management, indicated they were in active negotiations with the Pension Fund and expected to hear this week if they are to get a commitment from them.

Mr. Lee inquired if the Pension Fund should fall through what next steps would be taken by the developer and Ms. Smith indicated that they had heard from another party that was interested, especially if the developer could obtain SB-99 financing.

Ms. Blomquist indicated that the Agency had given Mr. Goodlett too much time, that he has had since 1976 to develop this property, and she would not vote in favor of an extension.

Mr. Newman indicated it would be inappropriate to stop the development at this point, but he would find it difficult to vote for any more extensions after this.

Ms. Mary Rogers, WAPAC, indicated her support of this extension. President Berk indicated that the Commission had previously expressed its concerns regarding extensions for this development.

Mr. King indicated this was the first time the developer's financing has been this concrete and he was confident the Union would approve it.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 29-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle

NEW BUSINESS (continued)

Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (d) Resolution No. 30-82, authorizing execution of a Termination Agreement for Disposition of Land with San Pacific Imports, Inc.; Parcel C-2, northwest corner of Evans Avenue and Mendell Streets; India Basin Industrial Park.

Authorization is requested of a Termination Agreement with San Pacific Imports, Inc. for the parcel located on the northwest corner of Mendell and Evans in India Basin Industrial Park, and return of their deposit of \$10,210.65.

This LDA was approved in July 1981 and the developer had planned to build a facility containing approximately 38,500 square feet to accommodate an office, distribution, shipping and receiving activities.

San Pacific is now in default of submission of preliminary drawings. Based on discussions with the developer, it is staff's understanding that due to business constraints associated with financing the developer has withdrawn from the program.

Ms. Blomquist inquired if there was a plan to market the India Basin parcels in any special way and Mr. Don Boykin, Development Specialist, indicated affirmatively, that the program was that the developer would have financing available before seeking approval and two developers have already achieved this.

Mr. Lee indicated he was personally aware of the efforts made to obtain financing by the developers San Pacific and Kung's Trading Co.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-82 BE ADOPTED.

- (e) Resolution No. 31-82, authorizing execution of a Termination Agreement for Disposition of Land with Kungs Trading Company, Inc.; Parcel C-1, northeast corner of Evans Avenue and Newhall Street; India Basin Industrial Park.

NEW BUSINESS (continued)

Authorization is requested of a Termination Agreement with Kung's Trading Company, Inc. for the parcel located at the northeast corner of Evans and Newhall in the India Basin Industrial Park and return of their deposit of \$10,306.25.

This LDA was approved in July 1981 and the developer had planned to build a facility to accommodate an office, distribution, shipping and receiving activities.

Kung's is in default of submission of preliminary drawings and based on discussions with the developer, it is staff's understanding that due to business constraints associated with financing, the developer has withdrawn from the program.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-82 BE ADOPTED.

- (f) Resolution No. 32-82, awarding Site Improvement Contract No. 1 to AMBO Concrete, Inc.; Stockton/Sacramento.

Authorization is requested to award Site Improvement Contract No. 1 for the Stockton/Sacramento Project to Ambo Concrete, Inc. in the amount of \$47,221.

This contract provides for the construction of curbs and gutters, sidewalks, street trees and miscellaneous off-site improvements adjacent to Mei Lun Yuen Chinatown Housing Project.

Mei Lun Yuen is scheduled for occupancy on March 15 for the 150 elderly housing units and the improvement work for this contract has been staged to coincide with the various completion phases of this housing.

Eighteen contractors requested contract documents and six submitted bids with Ambo Concrete, Inc. the low bidder.

Upon checking the contractor's qualifications, all comments received have been positive, their Affirmative Action and Safety Programs are in compliance with contract requirements.

Mr. Luigi Zanette, President of Peninsula Concrete, opposed the award of this contract to Ambo Concrete as there was an error in their bid and it should be disqualified. Mr. Leo Borregard, Agency General Counsel indicated a clerical error in the placement of a comma had been made. The Commission has the power to waive this clerical error, and it was Mr. Borregard's opinion that this bid was valid and that Ambo Concrete is the low responsible bidder.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-82 BE ADOPTED.

- (g) Resolution No. 33-82, authorization to engage Thomas Reproductions,

NEW BUSINESS (continued)

Inc. for Reproduction of the 1982 "San Francisco Redevelopment Program -- Summary of Project Data and Key Elements."

Authorization is requested to have Thomas Reproductions, Inc. reproduce the Agency's 1982 Summary Data and Key Elements, known more commonly as the "Fact Book" at a cost not to exceed \$4,121.55.

The work will include color reproductions of the cover and 13 project area maps, reproduction of approximately 80 pages of text, assembly, and binding of 1,000 copies.

Three bids were received ranging in price from \$4,121.55 to \$8,520. with Thomas Reproductions being the low bidder.

The Fact Book has been a useful document internally for reference purposes and a forceful document externally for describing the Agency's program and current status.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-82 BE ADOPTED.

- (h) Resolution No. 34-82, approving Amendments to Personal Services Contract with William M. Mercer, Inc. for Continued Study of Social Security Withdrawal.

Authorization is requested to amend the Personal Services Contract with William M. Mercer, Inc. for Phase II of the Social Security Withdrawal study in an amount not to exceed \$4,500.

In January 1981, this firm was authorized to perform a three-phase feasibility study of the effects of withdrawal in an amount not to exceed \$11,000. The first phase cost \$3,000 and was completed by the preparation of a report that presented actuarial information and summarized the pros and cons of withdrawal.

In September of last year, you authorized a one-year extension of Social Security withdrawal waiting period through the end of this year, during which time the employee committee, which has been set up, can primarily work on assembling the best possible replacement program that can be devised with the available money.

In conjunction with the Committee, Mercer during Phase II, will develop a replacement benefit program for Social Security benefits. The Committee will develop a cafeteria plan rather than a fixed benefit plan as was originally foreseen, as staff feels it will enable employees to augment the basic core of benefits with benefits most suited to individual needs, and the extra cost of \$1,500 (from \$3,000 to \$4,500) associated with the design of such a cafeteria plan would be money well spent. Also during this phase the contractor will analyze broker proposals for a replacement program which was also not included as a provision of the original contract. This work would be ordered by the Agency on an as needed

NEW BUSINESS (continued)

basis and the total amount would not exceed \$2,000.

Ms. Shirley wysinger, representing Local 400 indicated that Local 400 had conducted a poll of its members and the results were: 29% wanted more information; 59% wanted to stay in Social Security and 12% wanted to withdraw.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-82 BE ADOPTED.

- (a) Resolution No. 35-82, authorizing the Executive Director to distribute Preliminary Official Statements and to negotiate and execute a Bond and Note Purchase Agreement in connection with construction and permanent financing for the 301 Unit Cooperative Housing Project, Hunters Point.

This item is a companion to item 8(a) on the agenda today. Mr. Harold Bell, Deputy Executive Director, Finance and Administration, reported on the proposals recently received from underwriters for financing of this development and indicated that because of the rapidly changing market conditions, such proposals may have to be accepted very quickly in order to maintain favorable interest rates to ensure the economic feasibility of the development. Therefore, either a special meeting of the Commission will have to be called to act on this or the Commission could direct the Executive Director to authorize and execute the necessary documents.

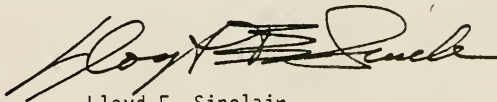
It was the consensus of the Commission that the Executive Director be given this authority, subject to Agency General Counsel drafting the appropriate resolution.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

March 2, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF FEBRUARY 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of February, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Henry Chang and Tony Chang, Wealth Investments; J. Tavarra, Mary Rogers and Donald Bryant, Western Addition Project Area Committee (WAPAC); Lafayette Jamerson, Jamerson Printing; Elizabeth Jamerson, Altheda and Roosevelt Carrie, Eileen Henriques, Arnold Townsend, F. Descamps, J. Bulkley, G. Colbert, L. Rieldich, Emerson Staford and James San Jule, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of March 17, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 19, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the special meeting of October 9, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) The rehearing process on the Community Development 1982 Budget is scheduled before the Planning, Housing and Development Committee of the Board of Supervisors on February 24, 1982.

UNFINISHED BUSINESS

- (a) Resolution No. 23-82, authorizing a substitute agreement for Disposition of Land with the Presbytery of San Francisco for Parcel 1128-B (southeast corner of Eddy and Divisadero Streets), and approving the disposition price; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to any objection of any Commissioner that item (a) would be continued for two weeks. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Second Amendatory Agreement with Vanguard/Donsdale Associates; Parcel 743-D(1) Western Addition A-2.

Resolution No. 36-82, authorizing a Second Amendatory Agreement with Vanguard/Donsdale Associates; Parcel 743-D (northwest corner of Turk Street and Van Ness Avenue), and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

On May 12, 1981 an LDA was entered into with Vanguard to develop a 175,000 square foot office complex with six stories on Van Ness and an eleven story tower at the rear of the site and GSA was to be primary tenant, but approval of the lease was delayed in Washington and the developer submitted an alternative financing plan along with a joint venture with Donsdale Holdings, Ltd., which was approved on August 18, 1981 along with a 90 day extension to October 29, 1981.

Drawings were submitted on schedule, but required a parking variance of at least 40%, which staff, after thorough review, determined it could not support.

The developer has now indicated that substantial reduction in the square footage of the building to 65,000 square feet is required to make this development economically feasible and still meet the parking requirements of the plan. The developer is requesting this extension in order to redesign the development which would delay submission of evidence of financing for five months from August 1982 to January 1983 and conveyance for six months from September 1982 to March 1983. These dates are outside dates and if missed, the developers

NEW BUSINESS (continued)

will be in default. However, the developers are hopeful they will be able to accelerate the schedule.

The LDA Second Amendatory also contains a provision that should conveyance not occur by November 12, 1982 the property will have to be reappraised.

There being no further persons who wished to speak to the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-82 BE ADOPTED.

- (b) Resolution No. 37-82, authorizing a First Amendatory Agreement with Roosevelt and Altheda K. Carrie, with respect to Disposition Parcel 683-D(2) (southeast corner of Sutter and Steiner Streets); Western Addition A-2.

Authorization is requested of a First Amendatory Agreement which would extend the Performance Schedule to the LDA with Roosevelt and Altheda Carrie for the parcel to be rehabilitated at 2075-2089 Sutter Street.

An LDA for this parcel was approved October 6, 1981, with the Carrie's who have been operating their insurance company at 2081 Sutter Street for over 20 years.

The Carrie's have requested an extension to allow for completion of the rehabilitation plans for this three-story building with retail on the ground floor and two floors of office space.

The developers also have recently submitted a proposal to develop the adjacent parcel in conjunction with the rehabilitation of the Sutter Street parcel. That proposal is being reviewed by development staff and will be brought forward at a future date.

This 60-day extension will allow the developer sufficient time to assure completion of the rehabilitation plans for 2075-2089 Sutter Street.

Mr. Donald Bryant, WAPAC's Chairperson, indicated approval of the extension of time to accomplish the rehabilitation plans, but expressed opposition to the Carrie's developing the adjacent parcel as condominiums. Mr. Hamilton indicated that the item before the Commission today was for an extension regarding the rehabilitation and not the development of the adjacent parcel and that after the Carrie's proposal of the adjacent parcel is reviewed, it would be discussed with WAPAC and brought to the Commission for action.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-82 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 38-82, authorizing a Rental Agreement with the City and County of San Francisco for providing employee parking on Agency-owned land; Western Addition A-2.
- (d) Resolution No. 39-82, authorizing a Rental Agreement with the City and County of San Francisco for constructing interim improvements on Agency-owned land; Western Addition A-2.

Authorization is requested of two rent-free agreements with the City of San Francisco for use of vacant land at the southeast corner of Franklin and Golden Gate in the Western Addition A-2, which is the State Office building site. Item 9-c will permit parking on a portion of the site for employees of the Department of Public Works; and Item 9-d will permit the City to construct improvements so the property can be used for off-street parking.

The Department of Public Works indicated a need for 60 parking spaces and staff proposed that if the City made all the necessary site improvements at no cost to the Agency, the Agency would agree to allow them to use the westerly half of the site for their employees parking on a rent-free basis for one year after which rent would be charged. The easterly half of the site will be utilized by Agency visitors and employees. This will provide a replacement for the Agency's parking lot on Eddy, which must soon be vacated for construction of the Flynn project. It is also intended that bids be solicited from parking lot private operators for night-time parking on this site.

The site was to be conveyed to the State of California this month but there has been a request for a nine-month extension. If the developer requests an earlier conveyance date, this interim parking use would not delay conveyance as the lots can be cleared with a 30-day notice.

Mr. Lee inquired when staff would solicit bids from private operators and Mr. Mills indicated the process would be started right away.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-82 BE ADOPTED.

- (e) Resolution No. 40-82, requests authorization of an Owner Participation Agreement with Wealth Investments, previously known as Worldco Company, Ltd., for the parcel located on the northeast corner of Franklin and Sutter Streets in the Western Addition A-2, and further to provide for payment of relocation benefits by the Agency to current retail tenants in the property.

Previously this two story structure was used as a residential hotel on the second floor, now vacated and closed; with eight businesses who have continued to operate on the ground floor. The developer now proposes to demolish the building and construct a 12-story

NEW BUSINESS (continued)

structure consisting of 8,500 square feet of commercial retail space on the ground floor, parking on the second and third floors with two additional levels of parking below grade and approximately 110,000 square feet of office space on the fourth through the twelfth floors.

Although the Agency cannot mandate participation in an Affirmative Action program, the developers have submitted a program in conjunction with Williams and Burrows, Inc., the project general contractor. Staff is currently assessing that program, and WAPAC has approved the development subject to resolving the AA program.

The performance schedule calls for start of construction by June 30, 1983 and completion of construction by June 30, 1985.

Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that the developer's affirmative action program had been resolved to the satisfaction of WAPAC.

Mr. Leo Borregard, Agency General Counsel, indicated that the developer had requested to monitor the economic feasibility of the development and if it becomes infeasible they can terminate and renegotiate.

Ms. Blomquist inquired that if it becomes economically infeasible to construct the new building would they still demolish the building and Mr. Borregard indicated that it is Wealth Investment's building and they can demolish it, but he did not believe they would do so until they are satisfied they can proceed with the new building.

Mr. Arnelle asked what time bracket had been set on determining feasibility and Mr. Chan of Wealth Investments indicated that they should know in about three to four months.

Mr. Newman expressed his concern with esthetics of the buildings and without knowing what the final treatment would be, would mean he might be approving this item prematurely, and Mr. Arnelle and Ms. Blomquist indicated their agreement with Mr. Newman.

Mr. Hamilton indicated he was hearing concerns about the esthetics from the Commissioners and asked for a clarification. Mr. Newman indicated he would like to approve final design and Mr. Hamilton indicated that was not normally done.

Mr. Marikidian asked to have the motion amended to provide for later design review, and Mr. Hamilton indicated this would have to be held and discussed with the developer.

Mr. Newman indicated he was not prepared to vote at this time.

Mr. Lee indicated that the designs had already been seen in a workshop.

NEW BUSINESS (continued)

Mr. Ed Ong, Chief of Architecture, indicated that after reviewing the original submission with the Commission, he had interpreted the concerns as being on the bulk of the building and that subsequent changes were made to the building. If there are concerns on the skin of the building, staff can begin to assess this, but if it's the building mass, then that has been addressed.

Ms. Blomquist indicated that the prior concerns of the Commission on requested changes to the building, should have been provided as an update to the Commission.

Mr. King noted that the Commissioners had seen the model three or four weeks ago.

Mr. Newman asked if the changes requested had been made and Mr. Hamilton indicated that the massing and major view corridors had been changed. Mr. Hamilton indicated that it was his suggestion that this item be held until the end of the Agenda.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (e) would be brought up again at the end of the Agenda. There being no objection it was so ordered.

- (f) Resolution No. 41-82, authorizing execution of a Third Amendatory Agreement to the Agreement for Disposition of Land and improvements for private rehabilitation with Elizabeth G. Jamerson, Parcel 785-A(1); southeast corner of McAllister and Gough Streets; Western Addition A-2.

Mr. Hamilton requested that this item be held to later in the Agenda as the Jamerson's lawyer had not yet arrived.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (f) would be held until later in the Agenda. There being no objection, it was so ordered.

- (g) Resolution No. 42-82, requests authorization to award Demolition and Site Clearance Contract No. 21 to Myron Demolition in the amount of \$1,800, for removal of buildings in the India Basin Industrial Park. Authorization was given to advertise this contract on January 19, and nine contractors requested bid documents with seven submitting bids.

The contract work includes demolition and removal off-site of the two vacant single wood frame commercial buildings located at 1541 and 1547 Galvez Avenue.

There are no designated developers for these sites at present, but staff is currently under negotiations with developers for them. Clearance of the site will eliminate potential hazards and unauthorized uses associated with vacant buildings and improve the marketability

NEW BUSINESS (continued)

of the sites.

The low bidder, Myron Demolition is a minority owned firm which has successfully completed several demolition contracts for the Agency. Their Affirmative Action and Safety Program have been reviewed and approved.

Ms. Berk inquired why there was such a big difference between the quotes of the low bidder and the high bidder and Mr. Demetrio Salvador Chief of Engineering, indicated the reason is because the contractor had 200 yards of fill that he needed to dispose of and if he can do it on this site it will save him money and thus he could bid lower for the job.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-82 BE ADOPTED.

- (h) Resolution No. 43-82, authorizing extension of Exclusive Negotiations with Forest City Dillon, Inc., for Parcel Air Rights 3735-D(1) (northeast corner of Third and Clementina Streets); Yerba Buena Center.

Authorization is requested to extend the period of Exclusive Negotiations with Forest City Dillon, Inc. for the development of the Air Rights Parcel 3735-D(1).

Exclusive Negotiations were granted October 6, 1981 and would be concluded today, February 16, 1982. An extension to April 20, 1982, a period of 63 days, is being requested because the garage architect who was to have completed final design work and delivery of both cost estimates has been delayed from January 31 until March 31. One cost estimate is for a garage designed to support housing and the other cost estimate is for a garage not designed for housing. When those estimates are delivered, Forest City Dillon has ten working days to decide whether to advance the cost differential between a garage with and without housing and proceed with the project.

The delay was caused in part by the need to redesign the facade of the garage to obtain Parking Authority approval and a further delay of 30 days due to design problems encountered by the housing architect who had to redesign to reduce bulk of the building to below 150 feet in order to keep the project within City code limits.

Every attempt will be made to make up the delay in later phases of the project so it can be brought back on schedule, which calls for the beginning of garage construction by August 1982.

At this time all design issues appear to have been resolved and all aspects of the design work are proceeding satisfactorily.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-82 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 44-82, authorization to accept a grant of \$10,000 from the Hewlett Foundation to be used in connection with feasibility studies necessary to define appropriate arts spaces for the Mixed-Use Development for the three Central Blocks; Yerba Buena Center.
- (j) Resolution No. 45-82, authorizing a First Amendment to Personal Services Contract with Peat, Marwick, Mitchell and Company and Frederiksen and Company for Cultural Planning in Yerba Buena Center, and authorizing appropriation of grant funds.

The first item requests authorization to accept \$10,000 from the Hewlett Foundation and the second item requests authorization to amend the contract with Frederiksen and Company/Peat, Marwick, Mitchell and Company to perform the additional services of a User Study and ongoing consultant services. This item further requests authorization to appropriate \$50,000 from funds received by the Agency from the Blyth-Zellerbach Committee, \$10,000 from the Hewlett Foundation and \$7,500 from the Ford Foundation to pay for these services.

In October 1981, the Commission approved \$40,000 (\$25,000 from the San Francisco Foundation and \$15,000 from Agency funds) for Component I of the contract with Frederiksen & Co. and Peat, Marwick, Mitchell and Company.

The work done under Component I provided the in-depth understanding of the financial and organizational factors involved in implementing the YBC Cultural Plan's "Showcasing Concept", as endorsed by the Commission in August 1981. With the completion of Component I, the next steps needed to be performed have become clear, which are two parallel activities needed before an LDA is concluded: the User Study and continued assistance to the YBC core negotiating team.

The fundamental purpose of the User Study is to take the facilities described in the YBC Cultural Plan and to develop projections of the expected use by arts groups and audiences of each facility. The study will provide information to make sure the cultural facilities at YBC meet community needs, contribute to the overall healthiness of the Gardens program as a whole, and be well and fully used. A master questionnaire will be prepared and used in 120 personal interviews and in 400 mail responses.

The User Study will be carried out by Virginia Hubbell Associates under the supervision of Frederiksen and Company/Peat, Marwick, Mitchell and Company to work with the negotiating team and the TAC in refining the showcasing model.

The User Study is of critical importance to the Agency during this period of negotiations to validate each proposed facility.

Ms. Mary Rogers inquired about the firms Affirmative Action program and Ms. Helen Sause, Project Director for Yerba Buena Center,

NEW BUSINESS (continued)

indicated that Frederiksen's Affirmative Action program was satisfactory, but that Peat, Marwick, Mitchell's had fallen short of the Agency's expectation and staff was working with them to improve it and Virginia Hubbell and William Baer were individuals with no employees.

Mr. Newman inquired as to what the Hubbell/Baer proposal involved and Mr. Baer indicated that there would be 140 personal interviews and 400 questionnaires would be mailed out consisting of thirty to forty pages, and when these are returned they will be extensively analyzed.

Mr. Newman left at this time, 5:15 p.m.

Mr. Arnelle asked Mr. Baer to describe how the study would be conducted and Mr. Baer indicated that questionnaires would be sent to target groups with telephone follow ups. It is expected that 30-35% would respond, which is a very high percentage. Not all of the questions will be sent to each group and a response is expected as they will be benefiting from this program. These benefits will be made clear by the informative cover letter that will be sent. Mr. Arnelle also inquired as to what would be used to accurately reflect the validation of this study and Mr. Baer indicated that the Cultural Blue Book would be used.

Ms. Berk inquired about Mr. Baer's background and Mr. Baer indicated that he had worked with the National Endowment for the Arts, has been twelve years with ACT and had worked on the Paramount Project.

Mr. Donald Bryant, WAPAC Chairperson, indicated that this study did not represent the South of Market community and requested that the item be held over. Mr. Hamilton indicated that the "Showcasing" concept had been long in planning and that the community has been involved and the Agency will continue to involve them.

Mr. King indicated that he would vote in favor of this item provided Peat, Marwick, Mitchell's Affirmative Action Program goes forward.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-82 BE ADOPTED.

At this time discussion returned to item (e).

- (e) Resolution No. 40-82, authorizing an Owner Participation Agreement with Wealth Investments, N.V.; Block 671, Lots 4 and 5, northeast corner of Franklin and Sutter Streets, Western Addition A-2.

Mr. Leo Borregard, Agency General Counsel, indicated that when the developer finds out construction of the new building is not

NEW BUSINESS (continued)

feasible, the tenants may already be relocated.

Ms. Rogers inquired if the Agency was responsible for sending relocation eviction notices and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated affirmatively and also that the owner has waived any rights to relocation benefits, but the tenants are eligible.

Ms. Blomquist inquired if there was any way to prevent vacation of the building and Mr. Mills indicated no because the Agency did not own the building, but was responsible to see that the tenants get relocated.

Mr. Hamilton indicated that regarding the Commissioner's concerns on the esthetics of the building, the facade will be reviewed and brought to the Commission in a workshop.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-82 BE ADOPTED WITH THE PROVISION THAT THE FACADE OF THE BUILDING BE REVIEWED BY THE COMMISSION.

Mr. Lee left the meeting at this time, 5:40 p.m.

- (f) Resolution No. 41-82, authorizing a Third Amendatory Agreement to the Agreement for Disposition of Land and Improvements for Private Rehabilitation of 685 McAllister with Elizabeth G. Jamerson, Parcel 782-A(1); southeast corner of McAllister and Gough Streets, Western Addition A-2.

The LDA was executed on August 6, 1980, with an extension granted because of building code problems delaying the submission of rehabilitation costs and the second one granted to December 16, 1981 to submit evidence of financing, which date was not met, and Ms. Jamerson was placed in default.

Despite vigorous efforts, it has not been possible in this market to secure additional Marks-Foran Funds. Accordingly, the developer was advised to seek conventional financing, if only for the construction loan, with the hope that the Agency could provide permanent financing through the Marks-Foran loan program. She was also advised that any further extension would absolutely require a new appraisal and thus, even though a conventional construction loan would be more expensive than a tax-exempt one, it would be more economical in the long run than if the property were reappraised and also proceeding immediately would save the extra cost of inflation-caused higher construction prices.

Since being placed in default, the developer has initiated contacts with several lenders and Lloyds Bank, though interested, is reluctant to proceed without a firm commitment for the permanent financing.

NEW BUSINESS (continued)

This issue is substantially complicated by the fact this building is the subject of a Court injunction because of the many life threatening code violations in it. This Agency is under a court order to rehabilitate or demolish this property forthwith and staff has been required to make regular reports to the Court indicating progress with the proposed rehabilitation.

Legal staff has expressed an opinion that if the Agency were to grant an extension to Ms. Jamerson without significant and substantial progress in arranging the financing, the Agency could be placed in contempt of Court, and the judge involved could order the building demolished and the renewal of 24 units from the housing stock.

Staff believes that the required financing could quite possibly be available, and could have been secured if the developer had made a complete and thorough presentation to the appropriate lenders. This fact plus the Agency being under court order to rehabilitate or demolish argues for rejecting Ms. Jamerson's request for an extension. However, it is realized that this is a community developer with a very substantial financial investment in getting the project to this point and if the developer could show substantial and significant progress in obtaining the required loans prior to the next Court appearance on February 25, 1982, the granting of an extension would be more readily justified to the Court at that time.

The possible solution is to approve the Third Amendatory Agreement, subject to a new price, which provides for a one week extension, until February 23, 1982. This would permit the completion of all information required for a conventional construction loan application and appropriate contacts with lenders. This task can certainly be accomplished, during this time.

Such an agreement would also provide for modification of the normal default cure period by establishing that failure to meet the one week deadline would result in the absolute termination of the agreement, leaving the Agency in a position to begin immediately with the marketing of the property in order to forestall a possible contempt order or an order to demolish the building.

Mr. Emerson Staford, Attorney, expressed concerns about the Third Amendatory Agreement to the Land Disposition Agreement and Mr. Leo Borregard, Agency General Counsel, responded to those concerns.

Reverend Riddick, Chapel Hill Baptist Church; Mr. Donald Bryant, and Ms. Mary Rogers, WAPAC, and Mr. Lafayette Jamerson recommended that the developer be given a 45-day extension.

Mr. Lee returned to the meeting at this time, 6:10 p.m.

NEW BUSINESS (continued)

Ms. Blomquist indicated, in reference to Ms. Rogers' comments that she believed since the Agency had appeared many times before a Judge regarding the Goodman Building and the Sutter Street Building that this should not be a factor regarding this item and now it is basically to see if the Commission can get the Jamersons and the Agency together, since everyone wants to proceed with this.

Mr. Hamilton indicated that the situation with the Goodman Building and the Sutter Street Building was not analogous to this situation as in both those instances the building were occupied and the Judge was dealing with existing tenancy. That is not the case here, as the Judge feels this building has life threatening hazards and there are no people involved.

Mr. Hamilton and Mr. Hunter Johnson, Chief of Rehabilitation, indicated the concerns staff had with the impending court appearance before Judge Brown whereby staff must show the court that progress is being made in the rehabilitation of this building, or he could order that the building be demolished, because of its safety hazards.

Ms. Blomquist left the meeting at this time, 6:25 p.m.

Mr. Arnelle inquired of Mr. Staford if there was any problem with the five and fourteen day cure periods and Mr. Staford indicated no. Mr. Arnelle inquired of Mr. Staford if there was any reason to expect the loan application cannot be prepared by February 23 and Mr. Staford indicated that the documents were in the hands of the Jamerson's and the Agency. Mr. Hunter Johnson, Chief of Rehabilitation indicated that the Agency would have their portions of the Agency's documents ready in time for the Jamerson's to submit their application.

Mr. Arnelle indicated that as he understands it, the difficulty here is getting the Agency and the Jamersons together and when this item goes before Judge Brown that the Agency makes the appropriate representation and shows that the schedule is being complied with and Mr. Hamilton indicated affirmatively.

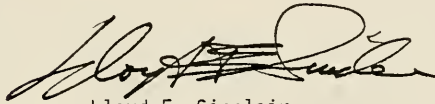
Mr. Borregard in summarizing the situation indicated that the February 23 date had no cure date and all others indicated in the Third Amendatory had a give day cure period including the conveyance date and the normal LDA provisions apply after conveyance.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 6:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

March 9, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF FEBRUARY 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of February, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter Newman

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were David J. Levinson, Levinson Bros., Inc.; David A. Pansini, Neil P. Cunningham, Pansini Corporation "The Parking Place"; Mary Helen Rogers and Wade Woods, Western Addition Project Area Committee (WAPAC).

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Ground breaking ceremonies for the Salvation Army's development at Fourth and Shipley in Yerba Buena Center will be held on Thursday, February 25, at 10 a.m.
- (b) At tomorrow's joint hearings with the Board of Supervisor's Finance and Planning, Housing and Development Committee will be two related items of special interest to the Agency - one is a continuation of the Supervisor's 90-day review of prior year Community Development unspent/unencumbered funds and the second is a resolution which would amend the 1982 Community Development budget to provide for a \$2 million reduction in the 1982 Community Development Block Grant (from \$25 million to \$23 million).

NEW BUSINESS

- (a) Resolution No. 46-82, authorizing the Executive Director to accept Levinson Brothers, Inc. bid of \$14,498.00 for insurance coverage on the Agency's 31 vehicles.

Authorization is requested to accept the auto insurance proposal from Levinson Brothers, Inc. for 31 Agency vehicles in the amount of \$14,498.00.

Proposals were solicited from six brokers and two were received with Levinson Brothers, Inc. submitting the lower quote. This firm is also the broker of our Project Liability and Office Liability coverage with National Union Insurance as the carrier and staff has a good business relationship with them.

Mr. Newman noted that although he had no financial interest in the Levinson firm, he does hold an insurance license with them and would therefore abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnette
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 47-82, authorizing a contract with Fennell Electric Company for the installation of controlled firm alarm system and smoke and heat detectors at 1985 Ellis Street; Western Addition A-2.

Authorization is requested to enter into a contract with Fennell Electric Company to install a firm alarm system and smoke and heat detectors at 1985 Ellis Street in the Western Addition A-2 in an amount not to exceed \$4,384.00.

In December 1980 the Department of Public Works issued a citation for code violations for this building under City Ordinance No. 227-77, which requires buildings of four or more units to have smoke alarm and heat detector systems. 1985 Ellis has 12 residential units, six of which are occupied.

NEW BUSINESS (continued)

This building is slated to be rehabilitated and this work would ordinarily be done at that time. However, it is not anticipated that the rehabilitation will occur prior to the time the Agency must comply with the City Ordinance and it is recommended the systems be installed now to avoid vacating of the building and relocation of the residents.

Of the twelve electrical contractors solicited, four submitted bids with Fennell Electric Company submitting the lowest bid. This firm is located in San Francisco and is an experienced contractor specializing in this type of work.

Ms. Blomquist inquired as to the status of 1985 Ellis Street and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that it was under exclusive negotiations with Catalyst Corporation, and that 1400 Eddy Street, the subject of the next item on the agenda may be cleared for the Fillmore Center, but a final determination as to its disposition had not yet been made.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-82 BE ADOPTED.

- (c) Resolution No. 48-82, authorizing a contract with STR Security Company for the installation of controlled firm alarm system and smoke and heat detectors at 1400 Eddy Street; Western Addition A-2.

Authorization is requested to enter into a contract with STR Security Company to install a fire alarm system and smoke and heat detectors at 1400 Eddy Street in the Western Addition A-2 in an amount not to exceed \$1,932.21.

In December 1980 the Department of Public Works issued a citation for code violations for this building of City Ordinance No. 227-77 which requires buildings of four or more units to have smoke alarm and heat detector systems. 1400 Eddy has seven residential units of which six are occupied. This building will eventually be demolished for the Fillmore Center, but the units now provide sound housing for modest income households and it is recommended that this work be done now to avoid premature relocation of the residents.

Of the 21 electrical contractors solicited, four submitted bids with STR Security Company the low bidder. This firm is a minority business located in San Francisco and specializes in this type of work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-82 BE ADOPTED.

- (d) Resolution No. 49-82, authorizing a Rental Agreement with Pansini Corporation for the utilization of improved Agency-owned land (northeast corner of Howard and Fourth Streets); Yerba Buena Center.

Authorization is requested to enter into a Rental Agreement with Pansini Corporation for month-to-month rental of the parcel located

NEW BUSINESS (continued)

at the northeast corner of Howard and Fourth Streets across from the Moscone Convention Center, for the purpose of operating a public parking lot.

This parcel is presently being operated by the San Francisco Parking Inc. until March 2, 1982. As in the previous agreement, priority parking will be provided for the Convention Center users. The operator will be responsible for maintenance of the parcel including the landscaping surrounding the premises.

Of the forty firms solicited, eighteen responded to the advertisements with Pansini Corporation the highest bidder at \$35,444.44 per month.

In reply to Mr. Arnette's and Mr. Lee's inquiries to Mr. Pansini of Pansini Corporation, on how he proposed to operate the parking lot, what the parking rates would be, and potential for increases in the proposed \$4.00 parking rate, Mr. Pansini explained the parking rates and the options he would have to change rates under self-parking or attendant parking arrangements and indicated that he could make a profit based upon the proposed \$4.00 rate, assuming current and project use of the lot.

Mr. Newman noted that he had known Mr. Pansini as a garage operator for some years and he had always done a quality job.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-82 BE ADOPTED.

- (e) Resolution No. 50-82, authorizing a First Amendatory Agreement with NAMAR Realty Holding Trust for Parcel 3751-P (northeast corner of Lapu Lapu and Harrison); Yerba Buena Center.

Authorization is requested of a First Amendatory Agreement to the Land Disposition Agreement (LDA) with NAMAR Realty Holding Trust, which is the holding trust for National Maritime Union. This would extend the dates for submission of final construction documents, evidence of financing and conveyance by 30 days for the parcel located on the northeast corner of Harrison and Lapu Lapu Streets in Yerba Buena Center.

In August of last year the LDA was authorized with the developer proposing to construct a six-story, 76,000 square foot building that would contain 2-½ levels of subsurface parking, a meeting hall, retail spaces, union office and medical facilities with union executives offices on the sixth floor and the balance of the building available for rental office space.

The development has proceeded on schedule, until the soils studies were received, which made it apparent that to achieve 122 underground parking spaces, this increase is required for the additional work necessary for excavation, shoring underpinning and dewatering caused by the high water table and closeness of the Pacific Telephone Company building.

NEW BUSINESS (continued)

The original construction estimates would increase by 25% or approximately \$2,000,000.

NMU through its project management firm, Milton Meyer & Company, has been exploring a number of alternatives to the 2-½ levels of underground parking as originally proposed, which has resulted in a delay of preparation of final construction documents.

Performance dates would be amended by submission of evidence of financing from March 1982 to April 1982 and Conveyance of the site from April 1982 to May 1982 with all other dates to remain the same.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-82 BE ADOPTED.

- (f) Resolution No. 51-82, authorizing a Personal Services Contract with VBN Corporation for the provision of contract documents for the construction of the O'Farrell and Fillmore Plaza, the Geary and Webster Plaza and the connecting walkway in the Fillmore Center; Western Addition A-2.
- (g) Resolution No. 52-82, authorizing a Personal Services Contract with Stevens and Associates for provision of contract documents for the construction of the public improvements of the Fillmore Center; Western Addition A-2.

Items (f) and (g) - are companion items and will be discussed together but acted on separately.

(f) Requests your authorization to enter into a Personal Services Contract with VBN Corporation and (g) requests your authorization to enter into a Personal Services Contract with Stevens and Associates. Both contracts are for preparation of design and construction documents for the Fillmore Center in the Western Addition A-2.

In mid 1979 the Commission approved an Urban Design Plan for the Fillmore Center, prepared by Jenkins-Fleming, Architects and Planners, which provided a Diagrammatic Site Plan and a Land Use Parcelization Map that formed the basis for the marketing activities that occurred in 1980.

In December 1980, the Commission approved a contract with Arthur H. Silvers, who produced the Urban Design Guidelines: Plan II for which a public workshop was held and community comments received in August 1981. Also at this time the Commission designated developers for certain parcels within Fillmore Center that began the implementation process.

VBN Corporation is recommended for preparation of design and construction documents for the O'Farrell and Fillmore Plaza, the Geary and Webster Plaza and the connection walkway in Fillmore Center in an amount not to exceed \$30,000. VBN is a minority-owned firm who has had extensive experience in the Western Addition and are

NEW BUSINESS (continued)

architects for both the Safeway Store and adjacent mixed-use commercial building in the Fillmore Center.

Since the public improvements contained in the VBN Corp. contract are contiguous to the Safeway projects, the functional and design relationship between the buildings and the public spaces they must be addressed simultaneously. Additionally, under the terms of the LDA with Safeway, Safeway is financially responsible for the construction costs of the plazas and walkway and therefore Safeway is requiring that the contract documents for the public improvements be completed and ready for bidding purposes at the same time that the store and office building are to be bid, which will be no later than June 1, 1982.

On 9 (g), Stevens and Associates is recommended as design consultant for preparation of design and construction documents of the balance of the public improvements for the Fillmore Center in an amount not to exceed \$77,200. Stevens and Associates is a minority owned firm, who was the landscape architect on Mariner's Village in Hunters Point and also served as a landscape consultant to Jenkins-Fleming. Also to assure design continuity of all the public improvements in Fillmore Center, VBN Corp. will retain Stevens and Associates as one of their subconsultants on plazas and walkway work.

Because of the accelerated construction schedule of the Safeway Project and since the UDAG grant requires that the Agency complete portions of the public improvements by July 1983, it is now necessary for the Agency to enter into these Personal Services Contracts.

Mr. Benny Stewart, WAPAC, indicated that he did not disapprove of this item, but was concerned with the control the Agency would have over the design, and if the architect would be reflecting a Black Theme and Mr. Hamilton indicated that the Agency would have control over the design and an input into the theme and WAPAC would be consulted.

Mr. Wade Woods, WAPAC, also expressed concern that the concept of an Afro-American theme for the plazas and walkways be kept.

Ms. Mary Rogers inquired if Safeway would be building the office building and Mr. Suttle indicated yes, if the Agency has a purchaser for the office building prior to the commencement date of construction.

Ms. Blomquist requested that her memory be refreshed on the overall theme for the Fillmore Center and Mr. Hamilton indicated that early on there was an overall design theme, however, due to the phase construction the developers who build first will set the theme, but those who come later will not necessarily be subject to the same constraints as those now under contract with the Agency. However, the Agency will endeavor to keep the theme consistent.

Mr. Mardikian inquired as to what the status was of finding a buyer for the office building and Mr. Hamilton indicated that there were several interested and that it would be very competitive, however the

NEW BUSINESS (continued)

subject of the Community's interest will be taken into account when selecting a buyer.

Mr. Newman indicated that the design for the Fillmore Center was very important and as the Japanese Center had left something to be desired, he hoped that staff and Commission would have an input into the design.

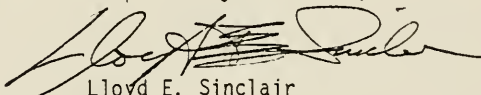
ADOPTION: IT WAS MOVED BY MR. MARDKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a closed session regarding litigation. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

March 2, 1982

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DOCUMENTS DEPT.

MARCH 11 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF MARCH 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of March, 1982, the place, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

Melvin D. Lee, Vice President (arrived at 4:12 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Linda Crayton, Reverend Wilbert Tom, New Liberation Presbyterian Church; and William Barker, SOCO Development.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of March 31, 1981, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of February 2, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of February 9, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of February 23, 1982, as distributed by mail to the Commissioners, be approved.

Mr. Lee arrived at this time, 4:12 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On Thursday, February 25, the Salvation Army Senior Activities Center Groundbreaking was held at Fourth and Shipley, and a reception followed. There was much goodwill expressed for the start of construction of the addition to the multi-purpose, multi-cultural senior center in Yerba Buena Center.
- (b) Two items were heard in a joint hearing by the Finance and the Planning, Housing and Development Committees. One was the 90-day review of prior year Community Development unspent/unencumbered funds, which was continued to March 17.

The second was the amendment to the City's 1982 CDBG Application to provide for a \$2 Million reduction which was approved and sent on to the Board of Supervisors.

Yesterday the Board of Supervisors approved the City's Revised 1982 CDBG application which reduces the Agency's 1982 CD Budget by \$345,981 from \$8,649,534 to \$8,303,553. Following HUD approval of the City's revised 1982 CDBG application, staff will bring forward for your approval a revised 1982 CD City-Agency Agreement.

UNFINISHED BUSINESS

- (a) Resolution No. 23-82, authorizing Disposition of Land for private development and other conveyance instruments with the sale of Parcel 1128-B (southeast corner of Eddy and Divisadero Streets) to the Presbytery of San Francisco, and approving the disposition price; Western Addition A-2.

The Public Hearing regarding this item was opened and closed at the meeting of February 2, with action to be taken continued to this meeting of March 2 to give staff time to work out the technical aspects of the LDA.

Authorization is requested to approve a substitute Land Disposition Agreement with the Presbytery of San Francisco for the Parcel located on the southeast corner of Eddy and Divisadero in the Western Addition A-2.

When the Presbytery of San Francisco developed the adjacent parcel for the New Liberation Church, which was completed in February 1976, they also deposited \$16,873.50 as a performance deposit on this parcel where they had planned to build a child care center. Unfortunately, though the performance schedule was extended several times to afford the Church more time to submit evidence of financing, the prospects of proceeding with the child care center are not good.

UNFINISHED BUSINESS (continued)

The Agency's appraisers were requested to update the value of the parcel restricted for use as a non-profit child care center or a parking lot in conjunction with the Church property and it was their opinion that with such restricted use, the new value of \$28,000 would apply for both uses.

Staff recommends under these circumstances that the site be conveyed with a substitute LDA that would: restrict the use to a parking facility; provide for a new land price of \$28,000, plus, a performance deposit of \$1,400 for a total of \$29,400; apply the current performance deposit of \$16,873.50 to the \$29,400 required; and provide a new performance schedule which would convey the site within 30 days after approval of the Agreement.

WAPAC has approved the restricted use of this parcel.

If the Church desires to construct a child care facility at some future date, such a change would have to be approved by the Commission.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-82 BE ADOPTED.

Mr. Borregard advised that, as the memo to the Commissioners noted, the parking lot construction had been completed and documentation to that effect is in the Brown Act Book. Reverend Wilbert Tom, Presbytery of San Francisco, thanked the Commission for their favorable vote and indicated the church would still pursue construction of the Child Care Facility.

NEW BUSINESS

- (a) Resolution No. 53-82, authorizing execution of a Second Amendatory Agreement to the Agreement for Disposition of Land with Melvin J. Hayes, with respect to Disposition Parcel S-4; Lot 6 (located on Hunters Point Hill off Whitney Young Circle); Hunters Point.

Authorization is requested of a Second Amendatory Agreement to the LDA with Melvin J. Hayes for a parcel located off Whitney Young Circle on Hunters Point Hill in the Hunters Point Project.

The LDA authorized in June 1981 was first amended in December 1981. Mr. Hayes is developing a single-family dwelling on this parcel to be used as his principal residence, and he has requested an extension of time due to a delay caused by a death in the family of his consulting architect.

The extension would provide for:

NEW BUSINESS (continued)

Submission of Evidence of Financing to be changed from May 28, 1982 to June 20, 1982; Commencement of Construction from August 1, 1982 to October 7, 1982; and Completion of Construction from July 1, 1983 to September 6, 1983.

ADOPTION: IT WAS MOVED BY MR LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-82 BE ADOPTED.

- (b) Resolution No. 54-82, Authorizing execution of First Amendatory Agreement to the Agreement for Disposition of Land with SOCA Development Company for the sale of Lot 5, Site S-4 (located off Whitney Young Circle on Hunters Point Hill); Hunters Point Redevelopment Project Area.

Authorization is requested of a First Amendatory Agreement to the LDA with SOCA Development Co. for the parcel located off Whitney Young Circle on Hunters Point Hill in the Hunters Point Project.

The LDA was authorized in August of last year and the developer proposes to build a single family home for resale. This lot is one of the 16 previously offered exclusively to certificate holders from Hunters Point and India Basin and residents and developers in the Bayview area. SOCA Development Co. is a small housing development company located in the Bayview.

Soca Development is requesting an extension of three months, because the prospective lender restrained them from proceeding with final construction documents until financial issues were resolved for the project. Staff has been advised that SOCA has resolved the lender's concerns and the program is moving forward.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-82 BE ADOPTED.

- (c) Resolution No. 55-82, Authorizing a First Amendatory Agreement to the Agreement for Disposition of Land with R. & J. Futuristic, Inc., for Disposition Parcels S-1 and S-2 (located on Hunters Point Hill); Hunters Point.

Authorization is requested of an Amendatory Agreement to the LDA with R & J Futuristic, Inc. for Parcels S-1 and S-2 located on Hunters Point Hill in Phase III of Hunters Point.

The developers anticipated using tax free bond financing for end mortgages. Staff, together with bond counsel, had determined the project could qualify under the 1980 tax law as a "Transitional project", and therefore that tax free bond financing for 30-year mortgages would be readily available at a favorable rate. However, an unfavorable change in the market now requires a restructured underwriting.

NEW BUSINESS (continued)

The firm of Miller and Schroeder, who recently acted as underwriters for an issue on Bay Vista, has proposed to restructure the issue which is favorable under current conditions and estimates they will need approximately 180 days to better assure adequate bond marketing.

Also this authorization will amend Attachment No. 6 paragraph 9.05 of the LDA whereby the Agency will now establish a homeowners association in lieu of the developer.

Mr. Kono, Acting Director of Development noted that the memo contained a typographical error and that the proposed Completion of Construction date in the Second Phase should read September 21, 1983.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-82 BE ADOPTED.

- (d) Resolution No. 56-82, authorizing execution of a First Amendment to Agreement for legal services with the law firm of Shute, Mihaly and Weinberger in connection with the Yerba Buena Center and Rincon Point - South Beach Projects.

Authorization is requested of a First Amendment to the Legal Services Agreement with Shute, Mihaly and Weinberger in an amount not to exceed \$15,000 for Yerba Buena Center and Rincon Point - South Beach.

This firm has been providing excellent specialized legal services regarding complex environmental and land use matters for the Agency, and close consultation and assistance with respect to the YBC, EIR Second Supplement and related issues.

The original contract amount of \$25,000 has been expended and additional funding of \$15,000 is needed for work currently being performed.

Ms. Mary Rogers, WAPAC, inquired about the firm's Affirmative Action program and Mr. Benson Hattem, Affirmative Action Officer, indicated that this was a small firm of three partners; they have just hired a woman lawyer and hope to hire a minority student this fall as a law clerk.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-82 BE ADOPTED.

- (e) Resolution No. 57-82, authorizing payment to R. Carrie Agency for fire, extended coverage, vandalism and malicious mischief insurance coverage for the eight buildings to be rehabilitated in the Western Addition A-2 and Yerba Buena Center Projects.

Mr. Hamilton requested that this item be continued for one week and that a one week binder with the present insurance broker be

NEW BUSINESS (continued)

authorized.

Ms. Blomquist inquired as to why these buildings were not combined with the last ones recently approved for insurance coverage and Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated that because the buildings were acquired at different times their insurance renewal dates become due at different times and though they could be combined there would be no advantage to the Agency in doing so and leaving it as it is now gives firms a chance to bid on the contracts.

Mr. Newman inquired if the present carrier was a bidder and would the carrier extend, and Mr. Hamilton indicated that the present carrier was Lavolia Baker and had agreed to extend in order to clarify her position in the bidding process.

Mr. Lee inquired about Falcon Insurance Company and Mr. Bell said he would have to get that information for him.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY APPROVED THAT THIS ITEM WOULD BE CONTINUED FOR ONE WEEK AND A ONE WEEK BINDER WITH THE PRESENT INSURANCE BROKER BE AUTHORIZED.

- (f) Resolution No. 58-82, authorizing the Executive Director to approve two persons to travel to Washington D.C.

Authorization is requested for either Helen Sause, Project Director, Yerba Buena Center and Joseph E. Coomes, our legal consultant, to travel to Washington, D.C. on March 8, 1982 in an amount not to exceed \$1,340.

The purpose of this travel is to meet with General Services Administration Commissioners to begin discussions for the purchase of the 49 Fourth Street property in Yerba Buena Center.

Mr. Newman suggested that perhaps Mr. Borregard should go since he has such a broad picture of this project and Mr. Hamilton indicated that since Mr. Coombs is very familiar with the project and has had specific experience in negotiating with GSA and Mrs. Sause has been in close contact with GSA staff, he believed continuity was needed.

Mr. Arnelle, Mr. Newman and Mr. Mardikian indicated they believed Mr. Borregard should also attend the meeting and Mr. Hamilton concurred.

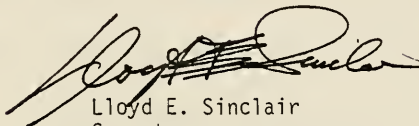
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE AND UNANIMOUSLY APPROVED THAT RESOLUTION NO. 58-82 BE AMENDED TO INCLUDE THREE PERSONS AND THAT THE AMOUNT BE AMENDED TO NOT EXCEED \$2,100.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-82 BE ADOPTED AS AMENDED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a stylized, cursive script.

Lloyd E. Sinclair
Secretary

APPROVED

March 9, 1982

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9/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF MARCH 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 9th day of March, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Leroy King

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Jeannie Dare, Raymond Lee, San Francisco State University; Amancio Ergina, Yerba Buena Foundation; Mary Helen Rogers, Benny Stewart, Don Bryant, Western Addition Project Area Committee (WAPAC); Linda Jackson, Ken Jackson Construction; David P. Cincotta, Catalyst Financial Corporation; and Joe Madona and Don Cahen, Olympia and York Equity.

Representing the press were Gerald Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle, and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 26, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of February 16, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 2, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the closed session of January 26, 1982, as

APPROVAL OF MINUTES (continued)

distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of February 16, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of February 23, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Next Monday, March 15, 1982, ten Western Addition residents will begin a pre-training program to work in the new Safeway store. This training program is provided through a grant of \$47,000 secured by the A-2 staff.

During January 1982, A-2 staff in cooperation with the Mayor's Office of Employment and Training (CETA), the Private Industry Council (PIC) and the East Bay Skills Center, presented an application for \$47,000 to the Private Industry Council to fund the training of fifty Western Addition residents as Safeway cashiers.

Upon completion of the training program, Safeway has committed to employing these fifty trainees and will call them to staff the Western Addition store when it opens in mid-1983.

UNFINISHED BUSINESS

- (a) Resolution No. 57-82, requests authorization to accept the proposal from R. Carrie Agency for Fire, Extended Coverage, Vandalism and Malicious Mischief on buildings in the Western Addition A-2 and Yerba Buena Center valued at \$1,985,500.

Proposals were solicited from six brokers and two were received with R. Carrie Agency submitting the lower quote of \$8,935.

Ms. Blomquist inquired as to the status of the A-2 buildings on this insurance policy and Mr. Gene Suttle, Area Director, Western Addition A-2, responded that four are in the Agency's rehabilitation condominium program, including the A-2 site office; two are to be included in the public offerings and one for a potential negotiated sale.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-82 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 60-82, authorizing a First Amendatory Agreement to the Agreement for Disposition of Land for private development of Lot 2, Site S-4 (located off Whitney Young Circle on Hunters Point Hill) to W. Gene Mabrey, Hunters Point.
- (b) Public Hearing to hear all persons interested in the assignment of interest of Lot 2, Site S-4, located off Whitney Young Circle on Hunters Point Hill; Hunters Point.

Resolution No. 61-82, approving the assignment of fifty percent interest in the Agreement for Disposition of Land for private development by W. Gene Mabrey jointly to George W. Mabrey and Oletha M. Mabrey; authorizing the execution of documents necessary to effectuate the assignment, and ratifying the Notice of Public Hearing for Lot 2, Site S-4; Hunters Point.

The official notice of public hearing indicates that the assignment, which is the subject of item 9b, would be considered at the meeting of March 16, 1982. It was erroneously calendared for today's meeting. For the convenience of the developer, it is recommended that both items 9a and 9b be continued for one week.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that items (a) and (b) would be continued for one week. There being no objection it was so ordered.

- (c) Resolution No. 62-82, approving an extension of the Offer to Negotiate Exclusively with O & Y Equity Corporation/Marriott Corporation/Beverly Willis for a development in the Yerba Buena Center Project Area D-1 (relates to Central Block 1, 2, and 3); Yerba Buena Center.
- (d) Resolution No. 63-82, authorizing an extension of Exclusive Negotiations with O & Y Equity Corporation/Marriott Corporation/Beverly Willis for Parcels 3722-A and B (east side of Third Street between Mission and Howard Streets); Yerba Buena Center.

Both of these items request extension of exclusive negotiations with O & Y Equity Corp./Marriott Corp./Beverly Willis to July 14, 1982; item (c) for Central Blocks 1, 2 and 3 and item (d) for Parcels 3722-A and B located on the east side of Third between Mission and Howard in Yerba Buena Center.

In December of 1981, an extension of three months was granted until March 17, 1982 for both the Central Blocks and Parcels 3722-A and B (EB-2). Exclusive Negotiating Rights for EB-2 are subject to the condition that the addition of these parcels is necessary to the economic viability of the Central Blocks program.

Negotiations are proceeding and concurrently preparation of the EIR Supplement No. 2 is underway. Completion of the EIR Supplement will

NEW BUSINESS (continued)

provide the necessary environmental information for taking action on an LDA. The present schedule for the EIR provides for completion of the Supplement in June. Depending upon the progress of negotiations, it may become necessary to consider an additional extension that would provide time for an adequate public review of a draft LDA prior to a public hearing and consideration for action.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-82 BE ADOPTED.

- (e) Resolution No. 64-82, requests authorization to extend Exclusive Negotiations with the Parking Authority for development of a public parking garage on Parcel 3735-D located on the northeast corner of Third and Clementina in YBC to May 18, 1982.

Exclusive Negotiations granted on October 6, 1981 were extended on February 16 to March 15, 1982.

Completion of the design work for the housing to be developed in the air rights has been delayed to March 31 and based on that delay, Forest City Dillon, Inc., the developer, was granted until April 20 to determine the feasibility of housing.

The feasibility determination will affect a number of conditions in the LDA with the Parking Authority. This extension will provide enough time beyond the housing developer's decision to finalize the LDA with the Parking Authority.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-82 BE ADOPTED.

- (f) Resolution No. 65-82, requests authorization to waive the time limit for return of the signed acceptance of conditions for Exclusive Negotiations with Catalyst Financial Corporation regarding the rehabilitation of 25 units in A-2.

On January 26, 1982 exclusive negotiations were authorized for 25 units to be rehabilitated and sold to moderate-income households. This was part of an agreement with Catalyst in order to grant them a plan change in A-1 to allow them to build 150 units of new housing.

The developer had 15 days to sign an acceptance of the authorizing resolution, which was not met because Catalyst had been concentrating on resolving design problems with the new tower in order to keep moving towards concluding the OP Agreement and Catalyst's attorney was out of town for the week after the design issues began to be resolved.

NEW BUSINESS (continued)

The developer has now returned the signed acceptance and all other scheduled submissions have been made.

Mr. Donald Bryant, WAPAC Chairperson, indicated his concern that Catalyst had not sat down with WAPAC and the tenants of the buildings to be rehabilitated regarding their displacement and Mr. Hamilton indicated that this would be done. Ms. Blomquist inquired as to when Catalyst would meet with WAPAC and Mr. Suttle indicated that probably during the next thirty days, as soon as an acceptable program is developed. Mr. Newman inquired if there should not be a limit on the waiver period and Mr. Hamilton clarified that the work had been completed. Mr. David Cincotta, representing Catalyst indicated they had been keeping their commitment with the Agreement and would be meeting with WAPAC.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-82 BE ADOPTED.

- (g) Resolution No. 66-82, requests authorization to award Demolition and Site Clearance Contract No. 78 to Paxton Construction Company and Jackson Construction Company, a joint-venture, in the amount of \$31,372.00, Western Addition A-2.

Mr. Hamilton requested that this item be continued for one week so that an item regarding Affirmative Action could be resolved.

Ms. Linda Jackson, representing Jackson Construction, inquired as to what that problem with the Affirmative Action is and requested it be sent to them in writing and Mr. Hamilton indicated that if it was determined they were not in compliance with the Affirmative Action Program they would be advised in writing and if they were found in compliance they would be awarded the contract at next week's meeting.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (g) would be continued for one week. There being no objection, it was so ordered.

- (h) Resolution No. 67-82 requests authorization to award Site Clearance Contract No. 79 to the low bidder McGuire and Hester in the amount of \$404,828.00 in the Western Addition A-2.

This contract will provide for the relocation of various utilities and pavement removal at O'Farrell and Ellis, between Webster and Fillmore Streets in the Western Addition A-2.

This work is necessary to conform to the LDA with Safeway to whom this site is scheduled to be conveyed on July 1, 1982.

Twenty-one contractors requested contract documents and four submitted bids with McGuire and Hester submitting the lowest bid.

NEW BUSINESS (continued)

The bids were structured to allow the Agency flexibility in selecting an option that will be in its best interest and still comply with requirements of affected utility agencies. The "Base Bid" provides for a new concrete encased water main at O'Farrell while the "Base Bid Plus Option I" provides only for a concrete encasement of the existing water main in the street. Based on discussions with the San Francisco Water Department, Base Bid Option I is preferable.

McGuire and Hester have performed work for the Agency and the City with satisfactory results and their AA and Safety program were found satisfactory.

Mr. Demetrio Salvador, Chief of Engineering, described the scope of the contract in detail and the amount required to accomplish each work item as requested by Ms. Berk.

Mr. Lee inquired if the construction documents had been done in house and Mr. Salvador indicated yes with the cooperation of the other City departments effected by the utility relocation. Mr. Newman inquired if the City could do the work and Mr. Salvador indicated they could, but that the cost would be more.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-82 BE ADOPTED.

Ms. Mary Rogers, WAPAC, indicated her concern that this company adhere to the Affirmative Action Program for the duration of this large contract.

Ms. Linda Jackson, Jackson Construction Company, inquired about the minority participation on this contract as she believed the requirements had not been met and Mr. Suttle indicated that this firm had seven minority subcontractors, which is more than required by the Affirmative Action Program. Ms. Jackson then inquired about each craft and Mr. Suttle indicated that on a craft by craft basis the Agency's goal was that fifty percent of the residents of the Western Addition A-2 would be hired. He also stated that the firm had shown a good understanding of the Agency's Affirmative Action program.

- (i) Resolution No. 68-82, requests authorization of an agreement with Yerba Buena Foundation for use of reserved funds for assisting with financing construction of the 72-unit, low-moderate income, Amancio Ergina Village cooperative housing Parcel 728-A, E and J, at the southeast corner of O'Farrell and Scott Streets in the Western Addition A-2.

Reservation of certain Community Development Block Grant Funds were authorized on January 26 to assist the developer in meeting requirements established by HUD as a condition to issuing a firm mortgage commitment for 43 of the 72 units. This action permitted the Foundation to be eligible to apply for FNMA and GNMA, Tandem

NEW BUSINESS (continued)

financing at a favorable interest rate. Tandem funds are being allocated by lottery, which the Foundation entered on February 24th, results of which should be announced on March 12. Should the Foundation be among the lottery winners they must make their first draw against the reserved funds no later than March 17.

At the time the fund reservation was approved, authorization was granted the Executive Director to negotiate an agreement with the Foundation for use of the reserved funds. An Agreement has now been negotiated in a form which protects the interests of the Agency and which requires the return to the Agency any funds advanced which are later recovered by the Foundation. It is reasonable to assume most of the reserved funds will not be needed or will be recovered.

Ms. Mary Rogers, WAPAC, inquired as to how this money would be paid back to the Agency and Mr. Hamilton indicated if it is used by the Foundation it would not be reimbursed. Ms. Blomquist indicated that the Agency has never done this before and Mr. Hamilton responded that HUD had never required it before. Ms. Blomquist inquired as to where the funds were coming from and Mr. Harold Bell, Deputy Executive Director, Finance and Administration indicated from the line item of loan back up funds for rehabilitation in A-2. Ms. Blomquist inquired how this developer was chosen over others who were having funding problems and Mr. Hamilton indicated that the gaps for the other developers were not only enormous, about \$3 Million, but were needed for cost overruns.

Mr. Bell indicated that HUD requires up front 1 to 1-½% of working capital as a hedge for the first few months of operation.

Ms. Blomquist inquired as to what the operating costs are and if the money could be used for administrative costs and Mr. Bell indicated that in the sense of project operations and costs, the funds could be used for administrative costs. Ms. Blomquist asked Mr. Bell to provide her a copy of the developer's operating cost and Mr. Bell indicated that he would provide her a copy.

Mr. Newman indicated that since this is a HUD requirement he would move the adoption of this item.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) On October 13, 1981, a contract with the firm of McDonough, Holland and Allen was authorized for the legal services of Joseph E. Coomes in connection with the developer negotiations in Yerba Buena Center. Because of the urgent need to utilize Mr. Coomes' expertise in the negotiations, he actually began to perform services in late September. It was intended to request that the contract be approved effective as of the date he commenced work, however that was not done. Therefore authorization is requested to make the effective

MATTERS NOT APPEARING ON AGENDA

date of the contract September 25, 1981. There is no increase in the maximum compensation payable or any other term of the contract.

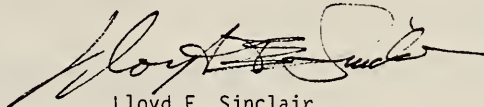
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE CONTRACT WITH THE FIRM OF MCDONOUGH, HOLLAND AND ALLEN FOR THE LEGAL SERVICES OF JOSEPH E. COOMES BE EFFECTIVE SEPTEMBER 25, 1981.

- (b) Mr. Newman requested Mr. Borregard to report on the trip to Washington, D.C. and Mr. Borregard indicated that the meeting with GSA had taken place. Mr. Newman inquired if satisfactory progress is being made and Mr. Borregard responded affirmatively.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

March 16, 1982

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2/16/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF MARCH 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 16th day of March, 1982, the place, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Lau Vee Lun, San Francisco State University; J. Gordon Ainsworth, R. P. Lieberman, The Broadmoor; Edward Kim, Youn S. Chey, Sungkuk Kim, Wha Sung Kim, K. Y. Kim, MSCK; Ron Morrow, Rom Management Co.; Daniel Wolf, Title Insurance and Trust; John Douglas, L & H; Neill Hannon, Korean American Legal Counsel; Mary Helen Rogers, Ben Stewart, Western Addition Project Area Committee (WAPAC); B. Maxwell, Joint Housing Committee; Ralph Anderson, Ralph Anderson Associates; and Hoover Mark Gee, interested citizen.

Representing the press were Samuel H. Chung, S. F. Dong - A.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of March 9, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Northridge Cooperative Homes (300 Units in Hunters Point) has received HUD's firm commitment and a Building Permit has also been received. This paves the way for further Commission action on this

REPORT OF THE EXECUTIVE DIRECTOR (continued)

development which is tentatively scheduled for next week or possibly the following week.

- (b) The scheduled 90-day review of the CD Program, which was to be held tomorrow by the Planning Housing and Development Committee and finance Committee was not heard and will now be calendared at the Call of the Chair.
- (c) Last Wednesday evening several Western Addition neighborhood groups, WAPAC, WANA, BANG, Mt. Zion, the Korean Community, invited by WANA met with the Mayor. Mr. Hamilton was in attendance, as well as Commissioners Berk, King and Mardikian. There was much discussion about the Agency's Program in Western Addition A-2 and Area Director Gene Suttle did an excellent job in responding to questions about the A-2 program.
- (d) Yerba Buena Foundation who was in a Federal lottery held last Friday for financing of their parcel located on the northeast corner of Scott and Ellis in the Western Addition A-2 were not selected. Staff will come before the Commission in the near future with a recommendation for this development.

UNFINISHED BUSINESS

- (a) Resolution No. 60-82, authorizing a First Amendatory Agreement to the Agreement for Disposition of Land of Lot 2, Site S-4 (located off Whitney Young Circle on Hunters Point Hill) to W. Gene Mabrey; Hunters Point.
- (b) Public Hearing to hear all persons interested in the assignment of interest of Lot 2, Site S-4, located off Whitney Young Circle on Hunters Point Hill; Hunters Point.

Resolution No. 61-82, approving the assignment of fifty percent interest in the Agreement for Disposition of Land by W. Gene Mabrey jointly to George W. Mabrey and Oletha M. Mabrey; authorizing the execution of documents necessary to effectuate the assignment; and ratifying the Notice of Public Hearing for Lot 2, Site S-4; Hunters Point.

Item (a) requests an extension of the performance schedule to the LDA with W. Gene Mabrey for the parcel located off Whitney Young Circle on Hunters Point Hill in Hunters Point.

Mr. Mabrey proposes to develop this parcel as a single-family dwelling for use as his own residence. The performance schedule would change the Submission of Evidence of Financing from February 2, 1982 to April 30, 1982; Commencement of Construction from May 3, 1982 to July 1, 1982; and Completion of Construction from March 31, 1983 to May 1, 1983.

UNFINISHED BUSINESS (continued)

Item (b), the subject of the Public Hearing, requests authorization to assign 50% interest in the LDA to George and Oleta M. Mabrey, Gene Mabrey's parents, for the purpose of acquiring adequate financing for the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-82 BE ADOPTED.

President Berk opened the public hearing on 8(b) to hear all persons interested in this matter.

There being no persons wishing to appear in connection with this matter, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-82 BE ADOPTED.

- (c) Resolution No. 66-82, requests authorization to award Demolition and Site Clearance Contract No. 78 to Paxton Construction Company and Jackson Construction Company, a joint-venture, in the amount of \$31,372.00, in the Western Addition A-2.

This contract provides for demolition of two commercial buildings, one at 680 McAllister, formerly occupied by the African-American Cultural and Historical Society who relocated to Fort Mason. The other buildings at 777-85 Golden Gate had been occupied by three tenants: two of these tenants, Western Opera and Cal State Patrol have been relocated; and the last tenant, Multi-Chrome Laboratories is scheduled to be relocated by March 30, 1982.

This site is scheduled for conveyance to McAllister Properties, Inc. for construction of a residential and commercial structure.

Thirteen contractors requested contract bid documents and all submitted bids, with Paxton Construction and Jackson Construction Company submitting the lowest bid. The joint-venture has not performed work for the Agency, but Jackson Construction Company has performed several contracts for the Agency in the part with satisfactory results.

The joint venture's AA and Safety requirements are satisfactory.

Mr. Lee inquired as to the composition of the Joint Venture and Mr. Thomas Dickerman, Project Engineer, indicated he did not have that information available, but would provide it.

Mr. Arnelle indicated, that although he has no financial interest in this item, he would abstain from voting because he is a past President of the African-American Cultural and Historical Society, one of the relocatees from the site.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING THAT RESOLUTION NO. 66-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY"

None

AND THE FOLLOWING ABSTAINED:

H. Jesse Arnelle

THE PRESIDENT THEREUPON DECLARED THAT THE RESOLUTION CARRIED.

NEW BUSINESS

- (a) Resolution No. 69-82, requests authorization to reserve \$360,000 of CDBG funds appropriated to the Agency to secure reimbursement to the Controller's Office of certain advances it will make to the Fillmore Center UDAG Project in the Western Addition A-2.

The Mayor's Office of Housing and Community Development has made this request for \$360,000 to replace certain expenditures it will make from General Funds as an advance under the Fillmore UDAG contract.

The General Funds that will be advanced by the Controller to the Agency will be used in assisting the City to administer its UDAG contract in accordance with the UDAG contract between the Agency and the City that the Commission previously authorized.

The Controller's Office requires from the Mayor's Office a reservation from CDBG funds before authorizing the use of general funds under its control. In the unlikely event that this project should fail, funds presently reserved in the Agency's budget to assist in the financing of the Fillmore Center office building would not be needed and then could be utilized to reimburse the City.

Ms. Blomquist inquired where the \$360,000 would come from and Mr. Harold Bell, Deputy Executive Director, Finance and Administration responded, from the \$1.2 Million in the 1982 Budget which is a reservation to help finance the Fillmore Center office building.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-82 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 70-82, requests authorization of a rental agreement with RDM Management Company for temporary use of the parcel located on the corner of McAllister and Gough Streets in the Western Addition A-2 for the purpose of providing commercial off-street parking.

This lot, previously used for parking by the Property Management/Central Maintenance staff before they were relocated to the A-2 site office, is part of the site scheduled for conveyance to McAllister Street Properties, Inc. for residential and commercial development. Staff feels that during the interim, the use of this parcel as commercial off-street parking would provide: needed off-street parking; prevent trespassers from illegally using the parcel; and generate income to and for the Agency.

Eleven companies responded to the advertisement with RDM Management Company submitting the successful bid of \$875.00 per month. This firm is located in Concord and has had previous experience in operating parking lots.

Ms. Blomquist inquired about the McAllister Street Properties, Inc. development schedule and Mr. Gene Suttle, Area Director, Western Addition A-2 indicated the developer was on schedule and conveyance should occur by July 30 in accordance with the Land Disposition Agreement (LDA).

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-82 BE ADOPTED.

- (c) Resolution No. 71-82, requests authorization to enter into Exclusive Negotiations for ninety (90) days with the Multi-Services Center for Koreans for the purchase and rehabilitation of 1362 Post Street in the Western Addition A-2.

The Multi-Services Center for Koreans, established in 1974, is a private, non-profit community based corporation that provides services such as newcomer orientation, classroom training in English and occupational skills, and housing services for the entire Korean community.

The Center is now located at 966 Market Street and would like to purchase and rehabilitate 1362 Post Street, since it would not only provide more adequate space to continue present operations, but also allow expansion of their services to include child-care programs, services for youth and the elderly, and short-term housing for new immigrants.

These diversified services would mean that additional requirements must be met to convert this building from its current residential occupancy classification, to one that permits the services described. Staff has reviewed the preliminary proposal to ensure compatibility and consistency with that of the A-2 Redevelopment

NEW BUSINESS (continued)

Plan and minimum requirements of the San Francisco Building codes. MSCK is aware of these requirements and are prepared to comply with all the necessary structural upgrading.

It is believed that this development would complement the existing institutional facilities in the Western Addition and serve as well, the Bay Area's Korean population.

Financing will be accomplished by a combination of funds, including: a \$72,000 commitment of 1982 CDBG funds; donations totalling \$156,000 from private sources; and additional pledges of \$50,000 received as a result of a vigorous fund raising campaign. The MSCK Board is committed to raising the remaining \$500,000 required.

WAPAC has approved this development.

Ms. Blomquist indicated that she hated to see a residential building converted and inquired if there was any place else to house the Center and Mr. Hamilton indicated there was not and also that Korean Center will be using this building for interim housing for immigrants.

Ms. Berk noted that Dr. Sun and other members of the Korean Center were present and also concurred with Mr. Hamilton's comments on the ability of the fund raising campaign to accomplish its goal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-82 BE ADOPTED.

- (d) Resolution No. 72-82, requests authorization of a Fourth Amendment to the contract with Keyser/Marston Associates, Inc. (KMA) to increase the amount of their contract by \$50,000 for a total of \$287,000.

The original contract was approved for use in all projects in June 1980, with the last amendment approved in October 1981 to provide additional services in connection with the YBC Central Blocks developer selection and negotiations. During this process, KMA has participated as members of the developer selection group, and provided the financial analysis for the ten developer teams using Touche Ross and Company as a subconsultant. This firm: has also provided economic analysis and determined financial feasibility of the project components during the negotiations; prepared one of the reuse appraisals of land value; and is currently part of the "Core" negotiating team with Olympia and York.

The negotiation process with Olympia and York has extended beyond the originally budgeted period and all funds of the current contract have been expended except for \$15,000 which has been set aside for economic studies of the Fillmore Center in Western Addition A-2. KMA has a significant role in the negotiations with Olympia and York and because of the complexity of the negotiations, KMA's role has

NEW BUSINESS (continued)

expanded and is crucial to finalization of the agreement with Olympia and York.

Ms. Blomquist indicated that she recognized how essential KMA's services are, but also noted the increasing costs of these services.

Mr. Newman inquired how many persons at KMA would be involved in this and Mr. Hamilton indicated that Mr. Mike Marston and Mr. Bob Whitmore would have a principal role.

Mr. Newman indicated that \$287,000 appeared to be a lot for one issue. Mr. Hamilton indicated it was a major undertaking. Ms. Berk inquired of Mr. Hamilton if the entire resources of KMA would be available and not just the two principals and Mr. Hamilton responded affirmatively. Ms. Berk also inquired how long these funds might last and Mr. Hamilton indicated it depended on Olympia & York and the demand for service.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-82 BE ADOPTED.

- (e) Resolution No. 73-82, requests authorization to approve employment fee payments for the filling of various positions in the Agency in an amount not to exceed \$10,000 through the period ending December 31, 1982.

The Agency has been quite successful in depending on its own recruitment efforts to find qualified applicants. However, it is occasionally necessary to use an employment agency for some particularly hard to fill position.

The last authorization was in September 1980 for \$10,000 of which approximately \$5,700 has been expended for placement of four employees.

Currently, the Agency would like to employ a Senior Clerk Typist through an employment agency at a fee of approximately \$1400.00. Since the last authorization expired in December of 1981, it is necessary to have your authorization to continue to approve employment fee payments.

Because of the need to move quickly in dealing with applicants and employment agencies in the future, staff is requesting you approve a cumulative amount not to exceed \$10,000, with the requirement that any fee in excess of \$2,000 be reported to the Commission by informational memorandum. Placement fees are based on sliding percentage of annual salary, normally 12 - 15%, which can run \$1,600 to \$2,400. The \$10,000 has been included in the 1982 CD budget.

Mr. Mardikian inquired if this is a change in policy relative to Commission approval of funds and Mr. Hamilton indicated that the change is a requirement to report any fee in excess of \$2,000 to the

NEW BUSINESS (continued)

Commission by informational memorandum and that the previous amount was \$1,000.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-82 BE ADOPTED.

- (f) Resolution No. 74-82, requests your authorization to enter into a Personal Services Contract with Ralph Andersen and Associates to prepare a Project Financing Plan and related financing reports for the Rincon Point - South Beach Project, as well as general advisory services, as needed, for Rincon Point - South Beach and all projects in an amount not to exceed \$84,000.

Authorization was granted on January 19 to negotiate a contract with Ralph Andersen and Associates with Laventhol and Horwath as sub-consultants. Negotiations have been successfully concluded with Part I of the contract in the amount of \$52,000, which will produce four reports for the Rincon Point - South Beach Project: Program Activities Report, Financial Analysis Report, Funding Sources Report and a Project Financing Plan. Part I will require twenty weeks to complete.

Part II of the contract is for general advisory services, as needed, and includes \$20,000 for Rincon Point - South Beach and \$12,000 for other projects for a total of \$32,000.

MBE/WBE requirements have been carefully reviewed and the consultant has noted that because of the tight work schedule, the need for continuity of personnel and the specialized work on financing required, there is not an appropriate role for additional subconsultants. However, if the Agency requests more detailed work, then, the consultant could subcontract to an MBE/WBE firm.

Ms. Mary Rogers, WAPAC, inquired about the firm's Affirmative Action Program and Mr. Earl P. Mills, Deputy Executive Director, Community Services described in detail both the Ralph Anderson and Laventhol and Horwath's breakdown on their hiring practices and their MBE/WBE for subcontracting and indicated that staff does not have any problems and finds them both reasonable.

Ms. Blomquist asked for a description of each of the four reports noted and Mr. Frank Cannizzaro, Project Director, described each of four reports and also indicated which sources of funds the consultant would be looking for to fund the major costs of the Rincon Point - South Beach Project.

Mr. Newman inquired if the project was feasible from a financing point of view and Mr. Ralph Anderson indicated that they were just starting the study but that he believes there will be potentially significant revenue from a variety of sources.

NEW BUSINESS (continued)

Mr. Lee inquired if staff was satisfied with the twenty weeks performance time and Mr. Cannizzaro responded that basically it was reasonable in order to turn out a good product. Also, that the Agency would be obtaining ongoing advisory services over the life of the project and as a result of these studies may need to come back to the Commission for additional funds.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-82 BE ADOPTED.

- (g) Resolution No. 75-82, requests your authorization to make payment of the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO) in the amount of \$1,400.

As indicated in reports to the Agency by Mr. Hamilton on the Community Development Program and Budget outlook for 1982 and 1983, NAHRO is carrying on an effective effort to maintain the level of housing and community development programs. NAHRO has been an effective influence on the formulation of national policy and legislation as well as helpful in obtaining HUD rulings and waivers beneficial to the Agency.

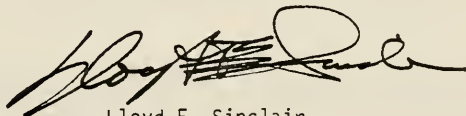
Dues are based on the population of the City and HUD, recognizing NAHRO's value, approves payment of dues from Federal funds.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:05 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

March 30, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF MARCH 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of March, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Olie Rogers, A. Andrews, J. Wiseman, Jose Rodgers, Charles Ryan, Joint Housing Committee (JHC); Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Amancio Ergina, Yerba Buena Foundation; Robert Upton, Taylor Woodrow; and Eileen Henriques, Mel Papillon, Wyart Spriggins, and Leon Thompson, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commission on the following matters:

- (a) The scheduled 90-day review of the CD Program, which was to be held last week by the Planning Housing and Development Committee and the Finance Committee is scheduled to be heard tomorrow, Wednesday, March 24, 1982.
- (b) In relation to the Ballet's purchase of Parcel 792-A in the Western Addition A-2, WAPAC negotiated an Affirmative Action Agreement with the Ballet calling for hiring from the neighborhood and recruitment of pupils from all minority communities. An offshoot of that Affirmative Action Agreement was the inviting of the Dance Theatre of Harlem to perform in San Francisco sponsored by the Ballet today.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Hamilton attended an Arts Exposure Program presented by the Harlem Ballet in the Opera House to approximately 3,000 young people and Mr. Hamilton was privileged to read a proclamation from the Mayor declaring this week Dance Theatre of Harlem Week. Mr. Hamilton then indicated that he, Mr. Arnold Townsend, Mr. Benny Stewart of WAPAC and Mr. Gene Suttle of the Agency have been on the Committee of the Ballet planning their tour here.

NEW BUSINESS

- (a) Resolution No. 76-82, requests authorization to amend the Agency policy regarding the requests for records under the California Public Records Act, adopted January 13, 1981.

Since adopting this policy in January 1981, experience has indicated that the policy statement should be amended by adding longer response times for ordinary record inspection and by adopting two provisos: one would allow the Agency to make its best efforts to respond within a reasonable period of time, but without a time limit, whenever a massive record request is made, such as the Consumer Action litigation; and the second, would allow copies of adopted resolutions and approved minutes to be supplied without charge upon appropriate request of a Project Area Committee's Executive Director.

Demand upon staff time has been severe, even with a normal record request, principally due to time spent in searching for records, and it has been difficult to meet current time requirements.

In response to Ms. Blomquist's inquiry on how items on the Agenda are made available to the Public, Mr. Borregard responded that they are available in the Brown Act Book and Mr. Sinclair indicated that the Brown Act Book is available for the public to look at in the Executive Director's Office on the console behind the Secretary's desk.

Ms. Blomquist indicated that instead of a "reasonable period of time" as stated in item "G" that a time certain be inserted and she suggested 30 days. Mr. Borregard indicated he had no problem with that suggestion.

Ms. Blomquist inquired that if the records were not in storage then the time period is fifteen days and Mr. Borregard indicated affirmatively and explained that these times are outside times and staff always tries to do better. But staff time in searching for records can be extensive as not all records are on microfilm, and consequently, all places must be searched and all records reviewed by the Legal Division to be sure there is no inappropriate material there.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-82 BE ADOPTED AS AMENDED TO REMOVE FROM PARAGRAPH G THE WORDS "A REASONABLE PERIOD OF TIME" AND INSERT "THIRTY DAYS."

NEW BUSINESS (continued)

- (b) Resolution No. 77-82, requests authorization to expend an additional amount of \$7,000 for expenses related to the temporary relocation accommodations provided for Roy's and Kono's Barbershops located at 1609½ Laguna and 1604 Post in the Western Addition A-2 until they can be permanently relocated.

Originally, an amount not to exceed \$36,000 was authorized in May 1980 for the cost of two trailers and related expenses to accommodate the two barbershops. It had been anticipated that they would be relocated into a permanent location provided by the new Seiki Development but because of delays in financing, planning and construction of the Seiki building, the sites for the barbershops are not yet available and may not be available until the end of 1984. The barbershops will not be able to remain on the present site since; first, the Nihonmachi Parking Association needs the present site of the trailers to commence construction of a parking lot, as required by the Redevelopment Plan, and the site will have to be cleared to permit that development; second, construction is expected to begin within one year on other facilities on the block where the trailers are located which will close off the only access for removing the trailers. Therefore, it will be necessary to move the barbershops in the near future.

Staff has evaluated alternative temporary facilities and efforts to find a permanent relocation site are underway. The Barbers desire to remain within the immediate Japantown area where they have been operating for twenty years and since most of their patrons live or shop in the vicinity.

It is estimated that the search for permanent relocation sites will require approximately ten months. During this time, additional funds of \$7,000 are needed to pay the trailer rental fees and to prepare the trailers for return to the rental agency.

Ms. Blomquist inquired why efforts had not started sooner to permanently relocate the barbershops and Mr. Hamilton indicated because the extended delays by the developer, Seiki, had not been anticipated.

Mr. Newman inquired if there is some limit as to when they can be terminated if their relocation is not worked out and Mr. Mills indicated that after best efforts have been made, a time limit would be set.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-82 BE ADOPTED.

- (c) Resolution No. 78-82, requests authorization of a second amendment to the Agreement with Catalyst Financial Corporation regarding the A-1 Plan Change for an extension of time to provide for construction of 150 units of new housing Block 696, Lots 12, 14 and 21, located at Post and Gough in the Western Addition A-1.

NEW BUSINESS (continued)

This Agreement approved on October 12, 1981, was intended to implement the previous action taken regarding the amendment to the Western Addition A-1 Plan Change to allow construction of 150 units of new housing on the Post and Gough Streets site. The Plan Change was approved and became effective November 30, 1981. The Agreement required that 60 days from Plan Change approval, the Agency and developer would enter into an OP Agreement. However, the first amendment extended the date to March 31, 1982.

Delays have occurred as a result of a change of architects by the developer and the design is not yet far enough along to allow the developer and Agency to set a realistic schedule that would be part of the OP Agreement. Although this matter is close to resolution, more time is necessary and the developer therefore requests an extension of approximately one month, until May 4, 1982.

This Agreement also provides for rehabilitation of 25 housing units in A-2, which process has also been delayed and is calendared today as a companion item.

Ms. Eileen Henriques, a Western Addition resident, indicated concern about the number and length of extensions for this item and also the next on the Agenda and inquired if there is a limit to the time extensions given a developer and Mr. Hamilton indicated that this is a relatively new development proposal and staff could recommend to the Commission and the Commission in its wisdom can grant extensions for whatever period of time it believes necessary to facilitate the Agency's program objectives in the area. Mr. Hamilton also noted that the rehabilitation of these units in connection with Catalyst's new construction is in pursuit of the Agency's program objectives.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-82 BE ADOPTED.

- (d) Resolution No. 79-82, requests authorization to renew exclusive negotiations for 42 days with Catalyst Financial Corporation for the purchase and rehabilitation of 25 residential units in four buildings, located at 1985 Ellis, 1353-67 Eddy, 1915-19 Eddy and 1917 Ellis, in the Western Addition A-2.

Exclusive Negotiations, authorized January 26 of this year, were undertaken to implement the agreement with Catalyst Financial Corporation and is a condition for recommending the change to the A-1 Plan to allow construction of market rate housing on property located at Post and Gough Streets which was the subject of 9(c).

Some progress has been made in the negotiations, but because the developer has continued to focus on the design of the new housing, they have not provided information required to resolve questions related to architectural plans and a moderate income marketing program for the rehabilitation work in accordance with the schedule of exclusive negotiations set out in the resolution. Thus, the

NEW BUSINESS (continued)

developer is in default and exclusive negotiations automatically terminated. Consistent with our intentions, we believe the Commission should re-establish those exclusive negotiations. Rehabilitation is proposed to start in six to nine months and phased over eighteen months, with construction of the new housing in A-1 to start at the same time.

The agreement requires submission of architectural plans within fifteen days and submission of a moderate income marketing plan within twenty-one days. On March 18, a meeting was held between the developer and WAPAC, with staff present, to discuss WAPAC concerns about development of a marketing plan. These concerns will be further explored with the community.

Ms. Eileen Henriques indicated she believed there was no time limit to extensions of exclusive negotiations in many cases and inquired if that was a correct interpretation. Mr. Hamilton indicated that this was not a correct interpretation and that he had responded to the matter of extensions on the previous item 9(c), and that the Commission, of course, will later re-examine whether or not additional estimates if requested are appropriate.

Ms. Blomquist indicated to Ms. Henriques that it is hoped this development will get started in the next 42 days as it has progressed very well so far.

Ms. Rogers, WAPAC, indicated her support of this development and requested WAPAC be able to set in on the negotiations with the developer so it could work out concerns, particularly regarding the building that is still occupied and Mr. Hamilton indicated that if there are matters where WAPAC has problems with the developers program, then staff will work with WAPAC until an agreement is reached.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-82 BE ADOPTED.

Ms. Blomquist inquired about the overall management program for the in-house condominium program that was mentioned in the memorandum and Mr. Hunter Johnson, Chief of Rehabilitation, indicated that the Agency will initiate an overall management program for accounting and maintenance purposes as any normal condominium development would. Also that the thirty-one condominiums the Agency already has will be combined with the Catalyst 25 units under one umbrella management firm, which has not been selected yet. This approach would be more economical and attractive for a management firm to take on than just a few units.

Ms. Berk inquired if the developer was agreeable to the 42 day extension and Mr. David Cincotta, representing Catalyst, responded affirmatively.

NEW BUSINESS (continued)

- (e) Resolution No. 80-82, requests authorization to extend Exclusive Negotiations with Yerba Buena Foundation for 56 days, to May 18, 1982, for the Parcels 728-A, E and J, located at the southeast corner of O'Farrell and Scott Streets, Western Addition A-2.

The developer plans to build 72 partially subsidized, limited equity cooperative housing units on this site.

HUD's firm commitment issued January 22, 1982, permitted the sponsor to immediately apply for GNMA-FNMA Tandem financing at interest rates comparable with those obtainable through the Agency's SB-99 revenue bond program, and a sixty day extension was granted on January 26 to afford the developer time to pursue that financing. Unfortunately the developer was not selected at the HUD Tandem allocation lottery held on March 12, 1982.

The principal remaining problem is the development of the most favorable financing for the 43 units for which long term deed subsidy financing is not available. The developer is exploring two alternative methods of financing: CHFA tax exempt bond funds; and conventional financing with a private developer.

HUD's firm commitment expires May 15, 1982, and staff believes a final opportunity should be provided the developer to obtain financing for this much needed housing as long as the HUD Commitment is available.

Ms. Eileen Henriques inquired how long this parcel would be left vacant and how many more extensions would be given. Ms. Berk indicated since the last extension did not accomplish what we had hoped that the Commission was being asked to extend through the HUD firm commitment which is May 15, 1982.

Mr. Hamilton indicated that there is an end to extensions when staff and the Commission sense an extension would not be productive.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-82 BE ADOPTED.

- (f) Resolution No. 81-82, requests authorization of a First Amendatory Agreement to extend the performance time in the LDA with Taylor Woodrow of San Francisco for Parcel 3750-A located on the southeast corner of Third and Folsom Streets in Yerba Buena Center.

The LDA was approved on November 17, 1981. Taylor Woodrow has undertaken a total redesign of the project, which will be presented to the Commission within the next two weeks. Since under the existing LDA, preliminary construction drawings are due today, an extension of time is necessary.

A new performance schedule would change the LDA date to Submission of Preliminary Construction Documents from March 23, 1982 to

NEW BUSINESS (continued)

October 1, 1982; Submission of Final Construction Documents from October 22, 1982 to March 1, 1983; Submission of Evidence of Financing from November 22, 1982 to April 1, 1983; and Conveyance of Site from January 22, 1983 to May 17, 1983.

Significant progress is being made in design and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Regarding rehabilitation of 1431 Eddy Street, Western Addition A-2. Ms. Leola King Wilson, owner of 1431 Eddy Street, appeared before the Commission to protest the notice of foreclosure on her property effective Friday, March 26, 1982. Ms. Wilson then introduced Mr. Alex Papillon who she indicated was assisting her in this matter.

Mr. Papillon stated that Ms. Wilson had fired her contractor and was in the process of finding another to finish the work and needed time to do so, and requested an extension of time in order to work out the problems Ms. Wilson is encountering.

Mr. Hamilton indicated that he was aware of staff discussions on this property but this was the first time he was hearing these allegations and he had not met with staff or Ms. Wilson on the matter.

Mr. Newman indicated that it seemed the Commission was unaware of the situation and this matter should first be reviewed by the appropriate staff and that this discussion appeared improper.

Mr. Hamilton inquired of Mr. Borregard, Agency General Counsel, if there was any problem in giving Ms. Wilson a two week extension and Mr. Borregard, after conferring with Mr. Johnson, Chief of Rehabilitation, that the estimate would not interfere with the Marks-Foran Loan on the property, indicated there were no problems of which he was aware.

Mr. Hamilton then suggested that Ms. Wilson be granted a fourteen day extension of the 60-day time period allowed for curing her default under the Land Disposition Agreement to permit time for a meeting between Ms. Wilson and staff to obtain and evaluate the facts and if necessary calendar this for Commission consideration in two weeks.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT MS. LEOLA KING WILSON BE GRANTED A FOURTEEN DAY EXTENSION TO THE 60-DAY TIME PERIOD ALLOWED FOR CURING THE DEFAULT UNDER SECTION 8.07 OF THE LDA BETWEEN THE AGENCY AND MS. WILSON DUE TO SUSPENSION OF CONSTRUCTION AT 1431 EDDY STREET.

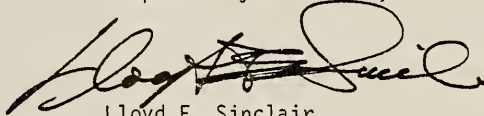
MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Mr. Charles Ryan, resident of Bayview Hunters Point, appeared before the Commission to complain about the hiring practices of a contractor in Hunters Point and asked who he should take his complaint to at the Agency and Mr. Hamilton indicated he should meet with Mr. Earl P. Mills, Deputy Executive Director, Community Services.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman and unanimously carried that the meeting be adjourned to a closed session regarding litigation. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

April 6, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF MARCH 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of March, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); Wil Lightborne, All Hallows; and Harold B. Brooks, Jr., interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of May 19, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of March 16, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commission on the following matters:

- (a) The groundbreaking for Northridge Homes (300 units in Hunters Point) will be at 11 a.m., Monday, April 12 -- God, HUD and Bond Market willing. Commissioners will be receiving formal invitations shortly.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

The groundbreaking will be followed by a lunch in the Community Facilities Building. The Archbishop and the Mayor will be in attendance.

- (b) The last two units at Mariners Village have been sold and have been recorded today. The ethnic breakdown for the 100 condominium owners is: White - 9; Black - 54; Hispanic - 9; and Asian - 28.

NEW BUSINESS

- (a) Resolution No. 82-82, requests authorization of a First Amendatory Agreement with KP00 and Associates which extends for three months the performance dates in the LDA for submission of evidence of financing and conveyance of the site for Parcel 1101-B, located at 1325-29 Divisadero Street in the Western Addition A-2.

An LDA was approved in August 1981 for this joint venture composed of Robert H. Becker & Poor Peoples Radio, Inc. to purchase and rehabilitate 1325-29 Divisadero Street. This building is a four-story, wood-framed structure containing 16 studio apartments with ground floor commercial space, which will be the permanent facility for KP00 Radio, a public service non-profit educational station that represents and is directed and operated by neighborhood organizations.

Conveyance was to occur no later than April 27, but due to the problems in obtaining a commitment for mortgage financing the developers have requested a 90 day extension. They have submitted a copy of a Certificate of Deposit with Central Bank providing the assurances necessary for equity capital and they have requested "brick and mortar" grants from private foundations for assistance in the rehabilitation. These grants are sought in order to reduce the debt which must be carried by the residential rental units and given the difficulty in obtaining construction financing in today's market may be an essential part of the financing package. The new schedule will extend the submission of evidence of financing and conveyance of the site from April 27 to July 27, 1982. The Absolute Conveyance date of October 27, 1982 does not change.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-82 BE ADOPTED.

- (b) Resolution No. 83-82, requests authorization of a Second Amendatory Agreement to the LDA with NAMAR Realty Holding Trust, which is the holding trust for National Maritime Union. This would extend the dates for submission of final construction documents, evidence of financing and conveyance of thirty (30) days for the Parcel 3751-P located on the northeast corner of Harrison and Lapu Lapu Streets in Yerba Buena Center.

NEW BUSINESS (continued)

In August of last year the LDA was authorized with the developer proposing to construct a six-story, 76,000 square foot building that would contain 2½ levels of subsurface parking, a meeting hall, retail spaces, union office and medical facilities with union executives offices on the sixth floor and the balance of the building available for rental office space.

The development proceeded on schedule, until the soils studies were received, which indicated that the water table and proximity of the Pacific Telephone Company building would require substantial excavation, shoring, underpinning and dewatering costs far in excess of the original cost estimate to achieve the required 122 underground parking spaces. The original construction estimates would increase by 25% or approximately \$2,000,000.

On February 23, 1982, a 30-day extension was authorized to allow NMU to resolve the parking problem. The requirement that all parking be provided on the site makes the project economically infeasible. The issues has evolved basically to consideration of a variance of the parking requirement of 80 spaces with the developer contributing approximately \$800,000 to a public parking garage fund, and staff is developing the terms and conditions in order to prepare for a variance which will be brought before the Commission in the next 30 days for consideration.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-82 BE ADOPTED.

- (c) Resolution No. 84-82, requests authorization of a First Amendatory Agreement to the LDA with Fourth Street Associates for Parcel 3752-A located on the southwest corner of Folsom and Fourth in Yerba Buena Center that will extend the date for conveyance by 90 days to July 1, 1982.

The LDA was authorized in June of 1981 for development of a four-story, 15,000 square foot building including ground floor and subsurface retail areas with three floors of office above.

The developer has performed in compliance with all requirements of the LDA and conveyance was to occur on April 1, 1982, but that can only occur after the developer has obtained a building permit or site permit with foundation and excavation addenda. The site permit was filed in August, 1981; however the City now advises, due to processing difficulties, it cannot issue a final permit for eight to twelve weeks. The developer is therefore requesting an additional sixty days to obtain the site permit. Fourth Street Associates are ready and able to start construction and will be so as soon as the site permit is issued.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-84 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 85-82, requests authorization for Helen Sause, Project Director, YBC, Leo Borregard, Agency General Counsel and Joseph Coomes, our special development consultant and legal counsel to travel to Washington, D.C. on March 31, 1982 in an amount not to exceed \$2,100.

The purpose of this travel is to continue discussions with the General Services Administration Commissioners for the purchase of the 49 Fourth Street property in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-82 BE ADOPTED.

- (e) Resolution No. 86-82, requests authorization to assign two agreements to All Hallows Community Development Corporation in connection with the development of Northridge Cooperative Homes (300 units), in Hunters Point.

One agreement is with Daverman Associates to provide for supervising architectural services and the other is the Street Encroachment Agreement with the City which permits some of the required parking for the development to be provided by parking in public street right-of-way areas.

Both of these Agreements has been entered into by the Agency prior to being informed by HUD that the Agency could not act as developer and be the issuer of bonds.

On February 9 the Commission authorized an LDA with All Hallows for the development and it is now necessary to assign these Agreements to the developer so that the developer can obtain the required architectural services and on-street parking.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-82 BE ADOPTED.

- (f) Resolution No. 87-82, requests authorization of the issuance, sale and delivery of Construction Loan Notes and Mortgage Revenue Bonds in the amount of \$19,500,000 and \$20,760,000 to provide construction and permanent financing for the 300 unit Section 8, Northridge Cooperative Homes in Hunters Point.

On February 9 the Commission authorized the Executive Director to distribute preliminary official statements and to negotiate and execute a Bond and Note Purchase Agreement for this development. The Agreement was entered into with the New York underwriting firm of Evans and Christie on February 24, 1982, which will provide for the sale of the Construction Loan Notes to Evans and Christie at \$19,500,000 at an interest rate of 11- $\frac{1}{2}$ % and \$20,760,000 of Mortgage Revenue Bonds at 12%.

NEW BUSINESS (continued)

The construction and permanent loan are serviced by First Interstate Mortgage Company as mortgagee, and the Notes and Bonds are serviced by First Interstate Bank, as Trustee, through the Indenture.

This authorization approves specific documents, the Trust Indenture, Investment Agreement, Financing Agreement, Mortgage Servicing Agreement, and Final Official Statements.

As is standard in Agency SB-99 financing, both the Construction Loan Notes and Mortgage Revenue Bonds are special obligations of the Agency payable solely out of revenues from the project and bonds issue, and neither the Agency, Commissioners nor employees have any personal liability in regard to these obligations.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-82 BE ADOPTED.

- (g) Resolution No. 88-82, requests authorization of a First Amendment to the Contribution Agreement with Marathon Development in connection with financing of Northridge Cooperative Homes in Hunters Point.

The Agreement with Marathon, approved on January 12, provided for payment of \$3½ million to help cover the gap that exists between the amount of the FHA insured mortgage and the total cost of constructing and financing Northridge Homes.

The Agreement at the request of Marathon contained a provision prohibiting the Trustee of the Bonds from being the same entity as the Mortgagee for the construction loan because Marathon believed it was not legally permissible for one entity to fill both roles. Although the Agency did not concur, the Agency did not object, because the Agency believed the Mortgagee, First Interstate Bank, would be the underwriter of the bonds and notes and could not also be the Trustee as that dual role would present a legal conflict of interest.

Now, however, Evans & Christie is the underwriter for the bonds and notes. And, since Interstate Bank is not the underwriter, Interstate would be legally permitted to be both the Mortgagee and Trustee except for the prohibition written into the Contribution Agreement.

This dual role is not a conflict of interest and is in fact beneficial to the financing and in the best interest of the Agency. Marathon now concurs with that conclusion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-82 BE ADOPTED.

- (h) Resolution No. 89-82, requests authorization of expending \$5,000,000, which includes the \$3,500,000 contribution from Marathon Development.

NEW BUSINESS (continued)

When All Hallows agreed to become the developer, at the request of the Agency, its approval was conditioned on the Agency providing all the financing for the project. Although primary funding will be the Agency's issuance of tax exempt bonds and notes, the amount of the bonds and notes are limited by the amount of the FHA insured mortgage, which is approximately \$4,900,000 less than the total amount needed for the project. To fill the gap between the bonds and notes and the total needed for the project, a Contribution Agreement was entered into with Marathon Development to provide up to \$3,500,000 with \$1,400,000 being provided with Agency funds. At closing, a reimbursement of \$290,000 will be made for the architectural design costs paid in prior years by the Agency. Thus the effective cost at closing to the Agency will be approximately \$1,100,000.

The initial funds required include two reserves - one of \$401,000 as part of the bond financing and the other is \$390,000 as working capital reserve for possible use during initial formation of the cooperative. Staff does not anticipate the reserve funds will be used and if not, the funds will be returned to the Agency.

Item (i) would authorize \$85,000 to reimburse All Hallows for the cost of a full time construction manager from March 16, 1982 throughout the period of construction. This amount is necessary in order to monitor the course of construction.

This item would also authorize up to \$30,000 for one-half the cost of a community organizer from March 1 through the formation of the cooperative entity. This would be essential to provide a liaison between the sponsor and the developments surrounding community during construction and marketing of the cooperative units. The cost of these community organizer services will not be covered by the FHA project escrow, and it is necessary to reimburse All Hallows for such costs as a separate expenditure.

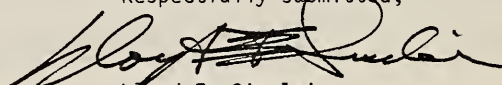
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

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82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF APRIL 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of April, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

none

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Robert Upton, Taylor Woodrow; Bill McCabe, Jacobs Sills Coblentz; Mary Helen Rogers, Ben Stewart, Western Addition Project Area Committee (WAPAC); Maurice James, Kenny Marcelous, J. Eugene Butler, Morrisania West; John Winzler, Rich Dornhelm, Winzler & Kelly; and Leola King Wilson and Alex Papillon, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of April 14, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 23, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of March 30, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) It was previously reported that the groundbreaking for the Northridge Cooperative Homes in Hunters Point would be held on April 12. This has now been changed to April 14, at 2 p.m.
- (b) The issues that were a matter of consideration as an off agenda item at the meeting of March 23, 1982, regarding Leola King Wilson's rehabilitation of 1431 Eddy Street in the Western Addition A-2 have been resolved.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the exception from the height limit requirement for Parcel 3750-A, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 91-82, requests authorization of a variance from the maximum height limit requirements for the proposed Taylor-Woodrow residential project located in the block bounded by Folsom, Harrison, Hawthorne and Third Street in Yerba Buena Center.

The proposed Taylor-Woodrow development will consist of: 31,816 square feet of commercial space; 562 units of condominium housing; and a 755 car parking structure.

In conjunction with the Agency's Urban Design Consultant and in response to Commission concerns, Agency staff has evaluated the Taylor-Woodrow development proposal to assure adherence to the best possible urban design principles.

Mr. Robert Upton, Taylor-Woodrow, indicated that a height variance was necessary, for two reasons: one, because of the extent of bedrock on the site; and second, to achieve the maximum possible design benefits by reduction of the building bulk while achieving a density which is less than the maximum required by code. Mr. Upton then introduced Mr. Jeffrey Heller, of Kaplan, McLaughlin and Diaz, the architect for Taylor-Woodrow, who described the basic design criteria applied to the development and the results, including: improving the relationship between the project and surrounding area with a more open development by providing for the lowest building heights of 2 - 3 stories on Third Street; reduction of the building mass by providing a more delicate scale of buildings; and better sun orientation and openness by use of building step backs.

Mr. Ed Ong, the Agency's Chief of Architecture, provided the Commission with staff's analysis of the design changes and recommendation for the variance requests.

NEW BUSINESS (continued)

Mr. Newman indicated that the memorandum to the Commission states that staff consulted with the Agency's Consultant, Rai Okamoto and City Planning staff and inquired if they had agreed with the height variance request and Mr. Ong replied affirmatively.

Mr. Lee inquired about the height limit along Third Street and Mr. Ong indicated it was 60-65 feet.

Mr. Hamilton indicated that based on staff analysis and consultation with other departments, staff is recommending the variance to the Commission. Mr. Hamilton also stressed not only the design principles as articulated by Mr. Heller and the Agency's architectural staff, but also the practical considerations of developing the site because of its irregular configuration, and the fact the parcel is sloped surfaced bedrock, which presented a particular development problem. Mr. Hamilton recommended the variance be granted, which would permit the residential tower "B" in the center of the subject parcel to exceed the 130 foot height limit by a maximum of 50 feet for a total height of 180 feet; and a portion of the residential tower "C" on Hawthorne, to exceed the 80 foot height limit by a maximum of 50 feet for a total height of 130 feet.

Ms. Mary Rogers, WAPAC, inquired that since a variance was being requested by the developer if there was any way to require inclusionary housing and Mr. Hamilton indicated that the settlement agreement to the lawsuit does not permit it.

There being no other persons wishing to appear in connection with this matter the President declared the public hearing closed.

Ms. Blomquist inquired how many parking spaces the code required and Mr. Ong indicated approximately 210 total spaces.

Ms. Blomquist indicated her opposition to the variance since, the Agency should adhere to the City's Master Design Plan; all the units were market rate with none affordable and there should be inclusionary housing regardless of the lawsuit settlement; and the developer is asking for a variance and the Agency should get something in return.

Mr. Mardikian inquired as to how many units were included in the earlier plan and Mr. Ong indicated 530 units, with an alternative if a variance was granted for 562 units.

Mr. Newman indicated that looking at the development, as it is now designed shows there has been a dramatic improvement, that the architects have done a superior job on this project which is the largest since the Golden Gateway development and that the variance request is reasonable. He also indicated that the Agency should retain a degree of control on the building facades and landscaping which is not now before the Commission, but would like this done without amending the resolution. Mr. Hamilton indicated that staff had similar concerns and would be monitoring the development.

NEW BUSINESS (continued)

Mr. Arnelle indicated that he had had reservations about the development at an earlier point in time and had been appalled by the earlier architectural treatment, but a metamorphosis has taken place. He further indicated he had a personal reservation on the condition of the settlement which precludes inclusion of low and moderate income housing, but that decision was made two years ago by the Commission at that time. He also stated he shared Mr. Newman's concern regarding the building's facade, as this was a major housing development for that area, but he was encouraged by the director's assurance and would vote for the variance.

Mr. King inquired of Mr. Upton if he would have any problem with working with the Commission on the building's exterior and Mr. Upton indicated he did not have a problem.

Mr. Mardikian inquired if notification of this hearing had been sent to residents and community groups in the area in addition to property owners and Mr. Hamilton indicated that property owners within a 300 foot radius were sent the ten day notice; there were also notices in the newspapers for general notification; and those who have expressed interest in receiving our Tentative Agenda were also notified by receipt of the Agenda.

Ms. Berk indicated that she agreed with Ms. Blomquist regarding the importance of the City's Urban Design Plan and the public process and that whenever possible, a potential variance should be considered as the working plans are being developed over a long period of time rather than waiting until the end of the negotiation period. Ms. Berk indicated that the developer has met the Agency's requirements and that inclusionary housing was not a requirement by the Agency.

Ms. Berk inquired if there were a greater number of units allowed in the Redevelopment Plan than were going to be built and Mr. Hamilton responded affirmatively, since the plan would allow for approximately 650 units and the proposal is for approximately 560 units.

Ms. Berk inquired what the formula is for the maximum number of units for a given site and Mr. Ong responded, one dwelling unit for every 200 square feet of lot area.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 92-82, requests authorization to amend a Letter Agreement with the San Francisco Water Department to prepare the design for relocation of the existing water main on O'Farrell Street and extend the completion time until the design work is completed in connection with the Fillmore Center Development in the Western Addition A-2.

In May, 1981 a Letter Agreement was authorized with the Water Department to design the relocation of the existing water main on Ellis Street in an amount not to exceed \$3,000. That design work has been completed and construction is under way. Recent discussions with Safeway Stores, who have now completed more definitive plans for their development, have found it necessary to relocate the existing water main on O'Farrell Street to an appropriate public utility easement.

This design work would be most effectively accomplished by the San Francisco Water Department and there are sufficient funds remaining in the Letter Agreement from the Ellis Street design work to cover the cost of performing the O'Farrell Street design work.

It will be necessary, however, to amend the original time of performance to provide for completion of this additional work.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-82 BE ADOPTED.

- (c) Resolution No. 93-82, requests authorization of a Permit to Enter Agreement with Morrisania West, Inc./Postal Street Academy for interim use of Parcel 750, bounded by Fillmore, Steiner, Turk and Eddy Streets in the Western Addition A-2 for the purpose of conducting a five day Black Emancipation Carnival from June 16 through June 20.

This celebration is held annually in mid-June by Black Americans throughout the country to celebrate the commemoration of the arrival of the news of the Emancipation Proclamation to the mid-West.

Morrisania West is a highly regarded locally-based, youth-oriented organization that provides educational and vocational training for youth in San Francisco, and the proceeds from this event will provide additional funds to further those programs in the Western Addition A-2.

NEW BUSINESS (continued)

It is recommended that no rent be charged to this non-profit organization. The interim use is consistent with Agency policy and in no way interferes with the development schedule for this parcel by Third Baptist Church.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-82 BE ADOPTED.

- (d) Resolution No. 94-82, requests authorization of a rental agreement with San Francisco Parking, Inc. for two parcels in the Western Addition A-2 for the purpose of operating an off-street commercial parking lot. Both parcels are part of the State Office building site and conveyance is now scheduled for November 1982.

One parcel, which is improved, contains approximately 33,210 square feet and is located at the southeast corner of Franklin and Golden Gate. This parcel at Franklin and Golden Gate will be operated as a commercial parking lot all day on weekends and from 6 p.m. to 6 a.m. Monday through Friday. During the weekdays from 6 a.m. to 6 p.m. the parcel will be used to provide parking accommodations for employees of the Department of Public Works and for Agency employees and visitors.

The second parcel, which is unimproved, contains 16,500 square feet and is located on the north side of McAllister Street between Van Ness and Franklin. This parcel will be used totally as a commercial parking facility on a 24 hour basis. As part of this agreement, San Francisco Parking Inc. is required to make certain site improvements on this parcel. It is anticipated San Francisco Parking Inc. will be able to use this parcel for a minimum of six months, but should it be less, then they will be reimbursed by the Agency on a pro-rata basis.

One of the provisions in the agreement provides that the lessee will to the maximum extent feasible, give jobs created by the operation of the parking lots to residents of the A-2 Project Area.

Shortly after the bid opening San Francisco Parking Co. requested early access to the parcel at the southeast corner of Franklin and Golden Gate and staff issued a Permit to Enter beginning April 2 with compensation of \$50.00 a day to be paid to the Agency for this period.

Of sixteen companies who responded to the bid advertisement, seven submitted bids, with San Francisco Parking Co., Inc. the successful high bidder at \$7,264.70 per month.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-82 BE ADOPTED.

- (e) Resolution No. 95-82, requests selection of a development alternative for the South Beach Small Boat Harbor and Park for the

NEW BUSINESS (continued)

Rincon Point - South Beach Redevelopment Project.

The Development Alternatives Report of February, 1982 prepared by the Agency's consulting engineers, Winzler and Kelly, describes the range of alternatives to provide for development of a park, a boat basin and improvements on Pier 40. These components were analyzed with regard to varying intensities of use, development costs, and revenue production.

Selection of an alternative development by the Commission will allow the consultant to proceed with preparation of a detailed feasibility report and master plan design.

Mr. Cannizzaro indicated that Alternative III-2 would consist of: a 700 berth small boat harbor; approximately 4- $\frac{1}{2}$ acres of soft surface park with promenade, turning plaza and Tidal Stair, plus parking; retention of the I.L.W.U. structure; development of a three-story structure for a restaurant, small-scale office and retail services on Pier 40; retention and relocation of the Dolphin P. Rempp restaurant-in-a-ship; renovation and possible relocation of Pier 42 Bulkhead Building for boat services and restaurant use; and development of a new Bulkhead restaurant.

Mr. Cannizzaro also noted that the Alternative III-2 appeared to satisfy the objective of financial self-sufficiency with an estimated funding capacity of \$0.3 million greater than the estimated construction cost of \$15.8 million assuming a master ground lease to a private developer for the new Pier 40 building. The degree of financial self-sufficiency would be affected by various factors including the Agency's role in the development process and amount of long-term berth leasing which will be determined during the forthcoming economic feasibility study.

Ms. Blomquist inquired as to whether the I.L.W.U. Building and the Ship would remain, and if so, won't they detract from the park and Mr. Cannizzaro indicated that when the plan was approved those two uses were approved to be retained, but efforts will be made to minimize any adverse impact they may have.

Ms. Blomquist inquired if the Agency would act as developer to build the mezzanine and Mr. Cannizzaro indicated that the economic feasibility study, yet to be completed, will examine this possibility and alternatives and at that time staff will have a recommendation.

Mr. Lee inquired who would be the developer if it was not the Agency and Mr. Cannizzaro indicated that it is assumed a public entity would be the developer in order to take advantage of the tax exempt bonds for the financing, however, staff will not know the best approach until the economic feasibility study is completed. Mr. Lee inquired as to how long it would take to complete the economic feasibility and master plan studies and Mr. Cannizzaro indicated

NEW BUSINESS (continued)

approximately two-three months.

Mr. Newman inquired if the Agency was automatically eligible for the State Department of Boating and Waterways low-interest money and Mr. Cannizzaro indicated affirmatively, however, the State does not usually let the money out in large increments and it may be necessary to obtain a long-term commitment and this will be developed as part of the feasibility study.

Mr. Cannizzaro also advised that if the Commission approves Development Alternative III-2, staff will also recommend a Redevelopment Plan change as the Plan now only provides for a harbor with 400 berths and Alternative III-2 provides for 700 berths; and the Plan also does not specifically allow small-scale office use.

Ms. Blomquist indicated she was strongly supporting this proposal, but preferred not to have offices on the pier and also preferred not to use tax exempt bonds for commercial use. Ms. Blomquist also asked who would own the improvements on Pier 40 after it is built and Mr. Hamilton indicated that these matters would be addressed in the forthcoming reports.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

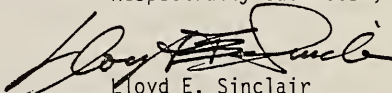
Ms. Leola King Wilson and Mr. Alex Papillon appeared before the Commission to thank them and staff for their assistance in arranging for the continuation of the rehabilitation of Ms. Wilson's property at 1431 Eddy Street and suggested that the Commission commend staff on their diligence and hard work.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT STAFF BE COMMENDED AND CONGRATULATED ON A JOB WELL DONE IN REGARD TO PROVIDING FOR CONTINUATION OF THE REHABILITATION OF 1431 EDDY STREET BY MS. LEOLA KING WILSON.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Arnette, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

April 13, 1982

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3/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF APRIL 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 13th day of April, 1982, the place, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Leroy King (arrived at 4:20)
Melvin D. Lee, Vice President (arrived at 4:25 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Jonathan Bulkley, Jackson and Bulkley; Mary Helen Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); Terry A. Francois, George E. Nelson, Metro Parking; Gary Hoshiyama, Michaud and Hoshiyama; Joseph Ballard, Gallo Salame; and Rudolph Barker, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of April 6, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of March 23, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the closed session of April 6, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

following matters:

- (a) Yesterday, the closing and sale of bonds and notes took place for the 300 Northridge Cooperative homes in Hunters Point. And, as scheduled, the ground breaking for that development will take place tomorrow (Wednesday) at 2:00 p.m. at Ardath Court (off Hudson). Mr. Hamilton then noted the special efforts and hard work of the following staff who made all this happen: Harold Bell, Deputy Executive Director, Finance and Administration; David Oster, Assistant Agency Counsel; Redmond F. Kernan, Deputy Executive Director; James Wilson, Area Director, Hunters Point; and Joseph Lejarza, Deputy Area Director, Hunters Point.
- (b) At yesterday's Board of Supervisors' meeting, they approved the issuance by the Agency of Bonds and Notes for two Section 8 developments (Aspen and Lassen) in the Tenderloin on a 9 to 1 vote . Both of these items will be brought to the Commission for approval.
- (c) On April 22 from 5 to 7 p.m. the Agency will co-host a reception with the Mayor and Asian Art Commission honoring the Classical Garden Delegation from Shanghai and the Japanese Tea Garden Restoration Delegation from Osaka. A group of five architects, Engineers and professors is coming from Shanghai to explore with the Agency and the developer the possibility and feasibility of building a Chinese Gardens in the Yerba Buena Center. The event and the visit is part of San Francisco's Sister City Program.
- (d) On April 26, Perrier and the Agency are sponsoring the dedication of new par course equipment which has been installed as an interim use around Central Block 2 in YBC. The event is to begin at 11:30 a.m. on Howard Street across from the Convention Center.

At this time Mr. King arrived, 4:20 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel 750-A, in the block bounded by Eddy, Fillmore, Steiner and Turk Streets, to Third Baptist Church of San Francisco, Western Addition A-2.

Resolution No. 96-82, authorizing a Land Disposition Agreement with Third Baptist Church of San Francisco for Parcel 750-A, approving Disposition Value and ratifying publication of Notice of Public Hearing Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter.

Mr. Hamilton reported on item (a) as follows. Staff is recommending that this Public Hearing regarding the Land Disposition Agreement

NEW BUSINESS (continued)

with Third Baptist Church be continued to May 4, 1982. Third Baptist is proposing a development to be built in three phases, which will consist of a commercial/office building fronting on Fillmore Street; an elementary school with gymnasium for 360 students; a convocation/senior citizens center; and a sanctuary. Language relating to this phasing is being developed by staff and it is anticipated that by May 4, a revised LDA with Third Baptist Church will be in final form for Commission consideration.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued to May 4, 1982. There being no objection it was so ordered.

At this time Mr. Lee arrived, 4:25 p.m.

- (b) Resolution No. 97-82, authorizing termination of the Land Disposition Agreement with Jonathan D. Bulkley and Oscar J. Jackson for Parcel 1100-D(1), east side of Beideman Street between Ellis and O'Farrell Streets; Western Addition A-2.
- (c) Resolution No. 98-82, authorizing Exclusive Negotiations with Jonathan D. Bulkley and Oscar J. Jackson for Parcel 1100-D(1), east side of Beideman Street between Ellis and O'Farrell Streets; Western Addition A-2.

Mr. Hamilton reported on items (a) and (b) as follows. The LDA with Jonathan D. Bulkley and Oscar J. Jackson for Parcel 1100-D(1), located on the east side of Beideman Street between Ellis and O'Farrell in the Western Addition A-2 was authorized in February 1980. Since then, six amendatories have been authorized, with the last one due March 1, which was not met and the developers were placed in default. Mr. Bulkley has requested more time to secure financing and for redesign of the six townhouses in an effort to reduce the cost of the units by as much as 40%. Presently, they have been designed to sell between \$200,000 and \$250,000. The developers hope that the less expensive units will be more attractive to potential long-term lenders, especially since the development does not qualify under congressional transitional rules to be eligible for SB-99 tax exempt bonds. There appears to be three alternatives that could be taken regarding the future of this development: 1) the Commission could authorize a 7th Amendatory Agreement to the present LDA, but staff cannot support this alternative because the development as presently designed does not appear economically feasible; 2) the existing LDA could be terminated and negotiations started with other interested parties. However, it would be at least 120 days before a new LDA could be brought to the Commission and construction would be one year away; 3) this alternative would be to terminate the existing LDA and enter into exclusive negotiations with Messrs. Jackson and Bulkley for 90 days to permit design revision and to permit staff to determine if the revised design is financially feasible. Staff anticipates bringing a new LDA before the Commission for consideration in 90 days and because the developer has a building permit that may only need to be amended, construction could start in less than a year. Staff recommends

NEW BUSINESS (continued)

approval of both 9-b which will terminate the existing LDA with Bulkley and Jackson; and 9-c which will authorize exclusive negotiations for 90 days with Bulkley and Jackson.

Ms. Mary Rogers of WAPAC inquired as to when information on profit sharing would be given regarding a previous parcel developed by Dr. Jackson, where he converted the rental units to condominiums and Mr. Richard Kono, Acting Development Director, indicated staff has recently received new information from Dr. Jackson's accountant and staff is now examining that information and should have it ready in approximately two weeks.

Ms. Blomquist inquired what the difference was between a seventh amendment approach and the termination and starting exclusive negotiations approach. Mr. Hamilton responded that the seventh amendment approach would tie us down to an old design approved by the Agency, which the developer and staff now agree is economically infeasible; and that the termination and new negotiations approach would permit starting fresh on a new design to provide housing at less cost and therefore produce a financially feasible development. Mr. Hamilton also noted that housing production is facilitated by staying with this developer, who is doing everything possible to get the project financed and built.

Mr. Mardikian expressed his concerns regarding the delay in developing this parcel and others in the Western Addition and requested a history of this parcel and asked if the Beideman Area Neighborhood Group (BANG) had been informed of this item being on today's calendar.

Mr. Hamilton indicated that staff shares the Beideman group's concerns but recognizes the realities of development financing as it exists today where few developments are being financed without special assistance; these developers have pursued financing in good faith; and the Beideman group receives a notification by Tentative Agenda sent to them.

Mr. Gene Suttle, Area Director, Western Addition A-2, in giving a brief history of the parcel, indicated it was offered in 1978 and awarded to Dr. Jackson and Mr. Bulkley with BANG's recommendation, because the units would be developed to sell rather than rentals, and that when BANG has a concern about something on the Agenda, they usually call, but did not in this instance.

Mr. Mardikian inquired if the redesign is going to affect the exterior of the building and Mr. Hamilton responded it probably would and the redesign would be discussed with WAPAC and BANG.

Mr. Mardikian indicated that financing is a concern and the issue generally is the amount of equity that developers are prepared to invest and if there is 100% equity there is no financing problem. Mr. Mardikian also indicated he would like to hear from Mr. Bulkley

NEW BUSINESS (continued)

or Dr. Jackson regarding their equity and if it is low we should put this out to bid again.

Mr. King indicated that Black developers had been struggling for years to develop in that area and the Agency, as a public agency who has relocated people, has an obligation to make sure they have an opportunity to return. He also expressed his concerns about persons coming to Agency meetings recently who questioned every development that a Black developer is involved in, and that the general financial situation is such that it is difficult for anyone to develop.

Mr. Mardikian indicated he felt it important to ask questions so he could feel comfortable in voting on the issue; however they were not intended to hurt anyone, but felt the Agency needs to get the vacant lots developed or there would be no housing built.

Mr. Lee indicated he saw no problem with Commissioner Mardikian asking questions in order to find out what is going on; however, he also understood the frustration of Mr. King, being a resident of the Western Addition for so many years, and so many Blacks have been deprived of development and he moved that 9(a) be adopted.

President Berk indicated that Mr. Bulkley should now be permitted the opportunity to respond to Mr. Mardikian's questions.

Mr. Jonathan Bulkley, in reply to Mr. Mardikian's earlier question as to how much equity the developer was putting into the development, indicated that Dr. Jackson and himself were prepared to put up approximately \$200,000; however, the problem is not getting the construction money, but getting permanent take-out financing, which is not available. However, it is hopeful that this development may qualify for SB-99 financing.

Mr. Arnelle inquired if they were redesigning so that the purchase price of the housing would be about \$100,000 and Mr. Bulkley indicated affirmatively and that this would give them more options for financing.

Ms. Blomquist inquired about the status of SB-99 financing and Mr. Kono indicated that there are several larger projects such as R & J Futuristics, Kimball Park, and Suttermore that it is hoped will make the smaller projects eligible for SB-99, but the subject development does not qualify as they must provide bond counsel documentation that sufficient public action with regard to this project had taken place before April 1979. Ms. Blomquist then requested that Mr. Kono provide the Commission with information regarding this situation, and Mr. Kono indicated he would.

Ms. Mary Rogers and Mr. Benny Stewart, WAPAC, both indicated their

NEW BUSINESS (continued)

support of this development and their belief that Black developers must be given a chance to develop in the Western Addition, which is a predominantly Black community.

President Berk indicated she believed that it was the Commissions' intent to encourage local community people to develop in the area and although some of these developments have had long histories it has not been an easy process, and the Commissions' intent is clear and there has been no change in Agency policy.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-82 BE ADOPTED.

- (d) Resolution No. 99-82, authorizing a Second Amendment to Personal Services Contract for Appraisal Services with Marshall and Stevens, Inc.; All Redevelopment Projects except Rincon Point - South Beach.
- (e) Resolution No. 100-82, authorizing execution of a Personal Services Contract for Reuse Appraisal Services with Rudolph D. Barker; All Redevelopment Projects except Rincon Point - South Beach.

Mr. Hamilton reported on items (d) and (e) as follows. HUD regulations require all properties to be disposed of by the Agency be appraised by an appraiser in private practice and if the fair reuse value of a parcel exceeds \$25,000 then two appraisals must be obtained. Since the Agency's need for these appraisals does not always coincide with the schedule of a private practice appraiser, a panel of five appraisers was established to insure that the Agency's needs were met in a timely manner. Currently, there is a panel of four appraisers with the fifth one having moved out of town. The Marshall and Stevens, Inc. funds under the last amendment will be shortly committed. This firm has exhibited a high level of competence in providing its services and staff recommends that an additional \$40,000 be added to their contract.

The firm of Rudolph Barker, a minority-owned firm, has been selected to replace the firm of Floyd Hibbits who has moved out of town, in an amount not to exceed \$10,000 for a one year period. Staff recommends approval of both 9(d) which requests authorization of an amendment to the Reuse Appraisal Services with Marshall and Stevens, Inc. in an amount not to exceed \$40,000 and 9(e) which requests authorization of a Reuse Appraisal Contract with Rudolph D. Barker in an amount not to exceed \$10,000.

Ms. Mary Rogers, WAPAC, inquired what criteria was used in appraisals and Mr. Richard Kono, Acting Development Director, described and gave examples of the two appraisal processes used; one for appraising vacant land and one for appraising improved land.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-82 BE ADOPTED.

- (f) Resolution No. 101-82, requests authorization to accept the proposal from Marshall B. Figari Insurance at an annual premium of \$40,000 with a \$500 deductible for Project Liability Insurance in the amount of \$1 Million Bodily Injury and \$1 Million Property Damage covering all Redevelopment Project Areas.

Mr. Hamilton reported on item (f) as follows. Bids were solicited from seven brokers with three submitting proposals. Of the three proposals, the bid from Marshall B. Figari for \$40,000 with the lowest deductible of \$500 is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-82 BE ADOPTED.

- (g) Resolution No. 102-82, requests authorization of an amendment to extend the time for the Performance Schedule in the LDA with Adrian and Olga Nolfi for Lot 15, Site S-4 located off Whitney Young Circle on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on item (g) as follows. This LDA was authorized in August 1981 with the Nolfi's who propose to build a single family home for sale. This is one of the 16 lots within the Site S-4 area previously offered to certificate holders from Hunters Point or India Basin and residents and developers of the Bayview Area. The Nolfi's operate a small housing development company on Third Street in the Bayview. The Nolfi's have been assured of financing by their lending institution when their building permit has been issued, which is expected to take place within the next few weeks. Therefore, the Nolfi's need an extension of 47 days for submission of evidence of financing from April 13 to May 30, 1982 and an extension of 30 days for conveyance of the Site from June 1 to June 30, 1982.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-82 BE ADOPTED.

- (h) Resolution No. 103-82, requests authorization of a contract with the law firm of Michaud and Hoshiyama to provide services in forming a homeowners' association for La Salle Heights in Hunters Point in an amount not to exceed \$25,000.

Mr. Hamilton reported on item (h) as follows. The Agency's Phase III development in Hunters Point is a Planned Unit Development of approximately 120 market-rate units on five sites, which is part of a larger area of property owned by the Agency. The Agency intends to record Covenants, Conditions and Restrictions (CC&R's) for the

NEW BUSINESS (continued)

benefit of, and binding upon all of the individual developers and a homeowners' association that will ultimately own, manage and maintain common areas in the five individual sites and in the larger area. The Legal Division advises it will be in the Agency's best interest to have the specialized legal services involved in preparing the CC&R's and formation of the Homeowners' Association performed by outside counsel. The law firm of Michaud and Hoshiyama were retained to perform similar services required in connection with Mariners Village where they provided excellent service. The firm's affirmative action policies have been approved.

Ms. Blomquist indicated that she opposed spending this amount of money that might be used instead to setup a fund for buyers and that the developer should be responsible for making these arrangements. Mr. Hamilton indicated that this contract would include all of Phase III in Hunters Point, which involves more than one developer, and it is in the Agency's best interest and those of the people who will own the units, to have the Agency set the standards and to have this firm prepare the CC&R's and form the Homeowners' Association.

Mr. Newman inquired if the \$25,000 was an upset price and Mr. Gary Hoshiyama of Michaud and Hoshiyama, indicated affirmatively, and that his firm would be charging by the hour at a rate of \$110.00 per hour for an estimated 100 to 125 hours of work. Mr. Newman noted that this would mean the cost might be less than \$25,000 and Mr. Hoshiyama responded that the actual cost could be about \$14,000. Mr. Hoshiyama also indicated that there would be different developers at different times and it was necessary to set the CC&R's and establish the Homeowners' Association now for all developers/owners with the Agency setting the requirements.

Mr. Arnelle inquired if there were any Black attorneys working for the firm and Mr. Hoshiyama indicated no, that the firm consisted of himself; Mr. Michaud, an Asian, a Caucasian legal assistant and a Filipino Secretary.

Mr. Arnelle indicated he was concerned about providing opportunities for Black attorneys to gain experience particularly when the development is in a largely Black area; that he did not mean to single out this firm, since he had expressed concern on this matter before to this Commission and to the Agency's General Counsel; and asked Mr. Hoshiyama if he had a moral commitment to hiring Blacks. Mr. Hoshiyama indicated he had a small firm and a moral commitment to the firm, but would consider hiring a Black if this was a condition of the contract but did not believe it was in the best interest of the Commission or Agency to do this at an added expense. Mr. Arnelle indicated he also had a small law firm but also hired Blacks, Whites or Asians as legal assistants and asked Mr. Hoshiyama again if he had a moral commitment to hiring Blacks and Mr. Hoshiyama indicated he had a commitment to hiring all minorities. Mr. Arnelle indicated Mr. Hoshiyama had not answered his question and that he could not vote in favor of this item.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE THAT RESOLUTION NO. 103-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (i) Resolution No. 104-82, requests authorization of a Rental Agreement with Metropolitan Parking Corporation for the parcel located at the northeast corner of Howard and Fourth Streets, across from the Moscone Convention Center, in Yerba Buena Center at a monthly rental of \$29,477.88.

Mr. Hamilton reported on item (i) as follows. At the meeting of February 23, 1982 a rental agreement was authorized with Pansini Corporation at a monthly rental of \$35,444.44. After 15 days of operation Pansini advised they were losing revenue and anticipated greater losses for the months to follow and gave the required 30-day termination notice. Staff then re-advertised for bids and received proposals from eight firms with Metropolitan Parking Corp. the successful bidder. As included in the previous agreement, priority parking for Convention Center users at a fixed maximum rate of \$3.00 was included in the bid package. This was requested by the Chief Administrative Officer and Convention Center management because they were concerned the City would lose conventions unless there was accessible parking at a reasonable rate.

Mr. Hamilton indicated that when Pansini Corporation had appeared before the Commission on February 23, that Commissioner Arnelle had questioned whether Pansini's proposed operations would be economically feasible and that as noted earlier Pansini had lost revenue.

Mr. Hamilton noted that Mr. Francois was present and would like to address the Commission.

Mr. Terry Francois, of the law firm of Francois and Francois, representing Metropolitan Parking Corporation, indicated they had

NEW BUSINESS (continued)

been in the parking business for a long time and had provided opportunities for minority participation, particularly training for parking operators and assured the Commission that Metropolitan Parking Corporation was making basic changes in operations which will put it on a better financial basis.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-82 BE ADOPTED.

- (j) Resolution No. 105-82, requests authorization of an extension of time for Gallo Salame until August 10, 1982 for submission of a preliminary proposal for development of Parcel 3789, Lot 20, located at the southeast corner of Colin P. Kelly and Brannan Streets in the Rincon Point - South Beach project.

Mr. Hamilton reported on item (j) as follows. Gallo Salame owns two parcels in this project, with the subject parcel located across the street from their processing plant, which is used for employee and company parking. The Redevelopment Plan calls for this parcel to be used for residential purposes. The use of the other parcel they own will be taken up as a future Agency agenda item. The Owner Participation proposal by Gallo was due on January 22. While no time extensions were granted, staff and Gallo representatives have met on many occasions starting last October to see how Gallo's current light industrial uses in the area might be consolidated to allow for both of their parcels to be developed for residential purposes. Gallo is actively working to find ways to make available a substantial amount of their property for development in accordance with the Redevelopment Plan while at the same time accommodating their industrial needs. Staff believes Gallo's requested 120 day extension to August 10, 1982 for preparation of the owner participation proposal is reasonable since addressing their overall needs within the Project Area presents some complexities. Gallo representatives have been very cooperative and demonstrated a willingness to work with the Agency to achieve the goals of the Redevelopment Plan.

Mr. Mardikian inquired if the Gallo Salame processing plant was compatible with the Agency's residential program and Mr. Cannizzaro responded affirmatively. Mr. Mardikian inquired as to how many people were employed at Gallo and Mr. Joe Ballard of Gallo Salame indicated about 200.

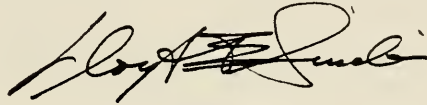
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-82 BE ADOPTED.

Minutes of a Regular Meeting, April 13, 1982

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

May 25, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF APRIL 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 20th day of April, 1982, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

Charlotte Berk, President (arrived at 4:22 p.m.)

The Acting President declared a quorum present.

Earl P. Mills, Acting Executive Director, and staff members were also present.

Also present were James D. Jefferson, Jefferson Associates, Sam Kalman and Stanley Friedman, Triangle Square Partnership, Ltd.; and Mary Helen Rogers, Western Addition Project Area Committee (WAPAC).

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the variance from the Height Limit Standard for Development Site D, Block 3766, Lot 7, northwest corner of Beale and Bryant Streets, Rincon Point - South Beach.

Acting President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 106-82, requests authorization to grant a height variance, which will allow for a commercial building to exceed the 24 foot height limit by up to 5 feet for a portion of the building; and (b) Resolution No. 107-82, requests acceptance of the Pre-Preliminary Development Proposal by the owner Triangle Square Partnership, Ltd., whose Managing Partners are Sam Kalman and Stanley Friedman.

The site is approximately 20,000 square feet and is of irregular shape abutting the Bay Bridge anchor pier and slopes up from the street frontages to the pier. The developers' proposal is to

NEW BUSINESS (continued)

construct a commercial building with three levels, plus a penthouse containing approximately 34,000 square feet of office space and 5,000 square feet of retail commercial space. Also 11 at grade parking spaces and extensive exterior and rooftop landscaping are proposed. The developer also wishes to landscape, at its cost, the State land between the site and the bridge abutment, and has asked to do so.

While the building for the most part stays within the maximum 24 foot height limit, the limit is penetrated at some points along the periphery by a maximum of 5 feet. This penetration will not detract from the overall appearance of the project and is reasonable in view of the difficult sloped terrain of the site. City Planning staff has reviewed the proposal, including the need for the height variance and has raised no objections.

Regarding their Affirmative Action Program, the owner has indicated that a specific set of goals and guidelines will be negotiated and included in the OP Agreement.

Staff recommends approval of the height variance for this proposal and acceptance of the Pre-Preliminary Development Proposal subject to submission of an acceptable Affirmative Action Program.

There being no persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

Mr. Newman inquired what the reason was for the five foot height variance, and Mr. Cannizzaro indicated it was necessary in order to alleviate a hardship imposed by the difficult narrow, steeply sloped site and provide a reasonable development.

Mr. Newman inquired how much additional office space would be gained because of the five foot height variance and Mr. Walter Yanagita, Agency architect, described the development and pointed out on the site plans, as requested by Mr. Lee, that only a small portion of the building extended to the five foot height limit, that the variance provides for a better designed building; and the extent of the building in the five foot variance portion was approximately 3% of the total building area.

At this time President Berk and Mr. Hamilton arrived, 4:22 p.m.

Mr. Newman indicated he agreed with the variance and noted it was a well designed building.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-82 BE ADOPTED.

NEW BUSINESS (continued)

At this time President Berk and Mr. Hamilton resumed their respective chairs.

- (c) Resolution No. 108-82, requests authorization to amend the Performance Schedule to the LDA with Beverly Coat Hanger, Inc. for the Parcel I-5 located on the south side of Fairfax Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

The LDA was authorized in August, 1981, for this firm who specializes in selling garment hangers to the hotel/motel, department store and mass marketing trade, to develop a 12,500 square foot building with 700 square feet as office space and the remainder for distribution, shipping and receiving facilities.

The developer is requesting this extension to his Performance Schedule in order to finalize negotiations with an institutional lender to finance the project.

The new dates would extend submission of financing from April 20 to June 15, 1982 and Conveyance of the Site from May 19 to July 15, 1982.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-82 BE ADOPTED.

- (d) Resolution No. 109-82, requests authorization of a Personal Services Contract with Michael J. Majors, Civil Engineers, Inc. to provide surveying and mapping of existing improvements in Blocks 708 and 725 of the Fillmore Center Area in an amount not to exceed \$10,000.

In February Personal Services Contracts with VBN Corp. and Stevens Associates were authorized for architectural services for the Fillmore Neighborhood Commercial Center. This contract will provide surveying and mapping of existing improvements needed for preparation of public improvement plans by these architectural firms, since they do not provide such surveying services.

Also, this contract is an extension of survey work already completed for Safeway Stores, Inc. which was performed by Michael J. Majors, working directly for Safeway Stores. Since that work was performed satisfactorily, and because this firm has available all survey data gathered from this previous work, staff believes he can perform and complete the work required under this contract efficiently and within a time frame constrained by other development activities, particularly the UDAG construction start requirements.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-82 BE ADOPTED.

- (e) Resolution No. 110-82, requests authorization of a rental agreement with Jefferson Associates, Inc. for the parcel located on the south side of Folsom adjacent to the A. T. & T. Building between 3rd and 4th Streets in Yerba Buena Center, for the purpose of operating a public parking lot.

NEW BUSINESS (continued)

This parcel, presently unimproved, is the site of the TODCO Housing Development tentatively scheduled for conveyance in late 1983. As part of the rental agreement, certain site improvements, at no cost to the Agency, are required which will enhance the appearance of the neighborhood.

Six companies submitted bids with Jefferson Associates, Inc. the successful bidder at \$4,200 per month.

This firm has had no previous experience in parking lot operations, but has been in business for 14 years as engineering consultants involved in making Parking Traffic and Environmental Studies. Staff has discussed the requirements of this agreement with this firm and reviewed their financial status and based on the information provided, staff believes Jefferson Associates is capable of performing under the terms of this agreement.

Mr. Mardikian inquired why the Agency takes bids from firms not in the business and Mr. Hamilton indicated this had been done before and staff had been assured that Jefferson and Associates can handle the job.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-82 BE ADOPTED.

- (f) Resolution No. 111-82, requests authorization to extend Exclusive Negotiations to not later than June 29, 1982 with Forest City Dillon, Inc. for development of housing in the air rights over the Yerba Buena Center garage, Parcel 3735-D(1) located on the northeast corner of Third and Clementina in Yerba Buena Center.

Exclusive Negotiations were granted October 6, 1981 with several extensions granted, due partly to the complexities of the project and partly by delays within the garage architect's office. The garage architect currently estimates construction drawings will be complete by April 30, 1982.

The Agency's agreement with Forest City Dillon allows them ten days after the garage architect has completed final design work and estimate the cost of two alternate garages, one designed to support housing and one not so designed, to decide whether to advance funds necessary to pay the difference in the construction cost of the two designs. Today's resolution allows flexibility in when the ten day period begins and ties it to whenever the garage architect delivers the construction drawings and cost estimates, but not later than June 29, 1982. This resolution would also automatically extend exclusive negotiations with Forest City Dillon until April 5, 1983 if they make the necessary financial commitment to pay for the added cost of the strengthened garage within the ten day period.

The date for starting housing construction will depend on whether Forest City Dillon can reach an agreement with the garage contractor

NEW BUSINESS (continued)

for construction of the housing. If agreement is reached it might be feasible to begin housing construction at the same time as the garage. Or, if a different contractor is brought in, then it might not be feasible to begin the housing until after the garage is completed. This project continues to be of great merit and will enhance the overall YBC project by providing evening and weekend population in the area. It will also be an important architectural addition to YBC and provide much needed housing.

Mr. Newman inquired about the one year extension and Mr. Hamilton indicated it was a year from the ten days if the developer makes the necessary financial commitment to pay for the added cost of the strengthened garage within that ten day period.

Mr. Newman inquired what was holding up the development and Mr. David Stoloff, Business Development Specialist, indicated it was the garage architect who was causing the delay, but that the Architect has assured staff he will be ready by April 30. Mr. Newman indicated he would vote for this resolution, but expressed his displeasure at the delays of this development caused by the garage architect. Mr. Hamilton indicated that staff shared that displeasure and would convey it to the Parking Authority.

Mr. Mardikian indicated that he would abstain because of concern that he may have a possible conflict of interest as a result of an association with one of the participants on another project.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 111-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (g) Resolution No. 112-82, requests authorization for Helen Sause, Project Director, YBC; Leo Borregard, Agency General Counsel and Wilbur W. Hamilton, Executive Director to travel to Washington, D.C. to meet with HUD Undersecretary, Stephen Golinger to discuss the

NEW BUSINESS (continued)

waivers necessary in order to finance a purchase offer to GSA for 49 Fourth Street in YBC. Also, NAHRO has requested Mr. Hamilton to testify before the Intergovernmental Relations subcommittee of the Senate Government Operations Committee on proposed amendments to the Uniform Relocation Act and Community Development Block Grant issues. Cost to the Agency will not exceed \$1,500, and funds are available.

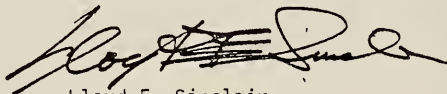
Ms. Mary Rogers, WAPAC, requested that the Agency send a person from WAPAC to Washington, so the community can be heard regarding housing problems, and Mr. Hamilton indicated that according to the terms of the WAPAC contract that was not possible. Ms. Rogers indicated she would in the near future be asking for additional money in the budget to pay for someone in WAPAC to go to Washington in May.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on personnel on the second floor. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

April 27, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF APRIL 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of April, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ben Stewart, Western Addition Area Project Committee (WAPAC); Jim Hankls, Campeau Corporation; Daniel Shapiro, SOHA; L. Jamerson and Elizabeth Jamerson, Jamerson Developers; and J. Nebel, Coldwell Banker.

Representing the press were Gerald L. Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of April 20, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) As of Friday, April 23, 1982, the first nine persons completing training at the East Bay Skills Center for the Safeway Pre-training Program, graduated and all nine were placed in stores located in San Francisco. A second group of 12 trainees began training yesterday, selected by the Community Screening Committee, and it is hoped they will also be placed in jobs at the end of the five week training period.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A Board of Supervisors' joint meeting of the Planning, Housing, Development and Finance Committees will be held tomorrow at 1:00 p.m. to hear Supervisor Walker's resolution regarding Community Development Block Grant Regulations that could change the direction of the City's Community Development Program.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in granting a variance from the parking requirements for Block 3751-P, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton indicated that Items 9(a), 9(b) and 9(c) all pertain to Parcel 3751-P, located on the northeast corner of Harrison and Lapu-Lapu in Yerba Buena Center, which is under a Land Disposition Agreement with NAMAR Realty Holding Trust, a holding trust for the National Maritime Union.

Item 9(a), Resolution No. 113-82, the subject of the Public Hearing, requests authorization of a parking variance which would allow for 44 on-site subground level parking spaces instead of the 120 parking spaces required.

Item 9(b), Resolution No. 114-82, requests authorization to establish a Yerba Buena Center Parking Fund and authorizing acceptance of a developer's contribution thereto.

In August of last year, the LDA was authorized with the developer proposing to construct a six-story, 76,000 square foot building that would contain a meeting hall, retail space, a union office and medical facilities and the balance of the building available for rental office space plus 2½ levels of subsurface parking.

In February and March of this year extensions were authorized to allow time to explore alternatives to the 2½ levels of underground parking since excavation, shoring, underpinning and dewatering costs for the parking would increase the original construction estimates by 25% or about \$2,600,000. This requirement that all the parking be provided on site would then make the project economically infeasible. After an analysis of all alternatives, the issue has evolved basically to a consideration of a variance of 76 spaces from the parking requirement of 120 spaces. Staff believes the variance is an appropriate solution.

The developer will contribute approximately \$760,000 to a YBC public parking fund which could be used to create public parking in the area, not reserved exclusively for NMU, which also generates income for a public garage. The concept of a contribution to a parking fund was suggested by Milton Meyer and

NEW BUSINESS (continued)

Co., the Project Managers for Design and Construction of the building. The \$760,000 represents \$10,000 per parking stall and is based on the latest construction cost estimates from the Parking Authority.

Approval is recommended to grant a parking variance under 9(a) and establish a YBC Parking Fund and accept the developers contribution under 9(b).

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

Ms. Blomquist indicated she was concerned that the resolution for Item 9(a) on the variance is not conditioned upon the contribution of the \$760,000 from the developer. Mr. Leo Borregard, Agency General Counsel, indicated there was no connection between the two, as it is the site conditions that justify the variance.

Mr. Lee inquired how the parking fund would work and when the contribution would be made and Mr. Borregard indicated the developers contribution would be put into the fund at or about the time the site is conveyed and that the money would be used to assist in providing public parking facilities in YBC in such a manner, and at such locations and times as the Agency deems appropriate.

Mr. Lee inquired if the \$10,000 was an accurate figure and Mr. Borregard indicated that it represented an approximate fair figure, according to the Parking Authority, for an above ground parking stall.

Mr. Newman indicated he believed that the developer's idea of contributing to a public parking fund was ingenious, but disagreed with staff regarding the variance. The Commission is being asked to change the civic code when he believed the parking requirement was not a hardship on the developer and that the Agency is accommodating the developer when it should be the developer who is accommodating the Agency.

Mr. Hamilton spoke to the adverse soils condition on the site and the alternatives sought by staff and the developer and believed the variance is an appropriate solution.

Mr. Newman indicated he did not believe these conditions were limited to this site and if a variance is given for this site then it sets a precedence for other developers. Soils test should be done before the developer makes a commitment.

Mr. Hamilton indicated that now that the soils tests results were known, this information would be available for other developers.

Ms. Blomquist inquired why this was a difficult site to develop and Mr. Ed Ong, Chief of Architecture, indicated the difficulty with the

NEW BUSINESS (continued)

site is the high level of the water table, limited access to the site, the narrowness of the site and adjacency to the PT&T Building.

Ms. Blomquist indicated she could not support item 9(a) unless it was conditioned on receiving the contribution for the public parking fund. Mr. Borregard indicated that the contribution was offered by the developer and as a condition would not be appropriate.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 113-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnette
Mr. King
Mr. Lee
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
Mr. Newman
Ms. Berk

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Newman inquired as to who can use the parking fund and what the requirements are and Mr. Borregard indicated that the Agency would establish the fund and it has the authority to use it as it deems appropriate.

Mr. Newman inquired if it would be limited to YBC and Mr. Borregard indicated affirmatively.

Mr. Lee inquired whose idea it was to have a public parking fund and Mr. Borregard indicated it was the developer's proposal.

President Berk inquired if the implication is that the fund will be used for parking in addition to that which is already planned or in our plan and Mr. Borregard indicated affirmatively and further he believed the Commission should be aware, because perhaps it was not discernable from the resolution, that off street parking, except for residential, is not required, except for District E south of Folsom Street in which this property is located. It is only south of that line that there is any off street parking standards for non-residential development. President Berk inquired if that was speaking to the Agency's Plan requirement and Mr. Borregard indicated affirmatively.

NEW BUSINESS (continued)

Mr. Mardikian inquired if this was for parking to be planned or already planned and Mr. Borregard indicated it could be used for both.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 114-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Mr. Newman

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 115-82, requests authorization of a Third Amendatory Agreement to the LDA with NAMAR Realty Holding Trust, which extends the dates for submission of final construction documents, and evidence of financing and conveyance for six months, for Parcel 3751-P in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. In addition to the parking variance a six-months extension has been requested to allow NMU to proceed with the final design drawings. The Performance Dates would be changed for Submission of Final Construction Documents from May 1 to November 1, 1982; Submission of Evidence of Financing from June 2, 1982 to December 1, 1982 and Conveyance of the site from June 20, 1982 to January 3, 1983. The NMU building is the result of over a year of design efforts and represents a positive architecture statement in YBC. The developer has in good faith cooperated in every way to respond to Agency concerns and worked diligently to find a reasonable solution to the economic crisis created by the soils and foundation problems of subsurface parking.

Mr. Lee inquired if in this six months time the price would change and Ms. Helen Sause, Project Director, Yerba Buena Center, indicated that it would not change, that the appraisal would remain current during this time.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-82 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Public hearing to hear all persons interested in the Fourth Amendatory Agreement for Disposition of Land for Parcel 785-A(1), Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton indicated that Resolution No. 116-82, requests authorization of a Fourth Amendatory Agreement to the Land Disposition Agreement with Elizabeth G. Jamerson for 685 McAllister Street, which raises the sales price from \$55,500 to \$160,000 to reflect a new appraisal and also increases the deposit to 5% of the new sales price. The LDA authorized in August 1980 has had subsequent amendments due to the building code problems and the financial market with the last one granted on February 16, 1982, which required the developer to prepare a complete financial application package and submit it to possible lenders in a timely fashion. This requirement has been met, although there has been no positive response to the loan applications submitted. The Third Amendatory also provided the developer with four weeks following approval of the new sales price which would extend to May 25 the time to obtain a financing commitment. During this four week period the developer and staff would be able to determine how much, if any, additional time will be required to obtain a financing commitment.

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-82 BE ADOPTED.

- (e) Resolution No. 117-82, requests authorization to amend the contract for engineering services with Shapiro, Okino, Hom and Associates.

Mr. Hamilton reported on item (e) as follows. This contract was authorized on October 13, 1981 in an amount not to exceed \$35,000 for engineering services for buildings scheduled for rehabilitation in all redevelopment project areas. From time to time the Shapiro firm needs to retain subcontractors for specialized work performed by professionals not on the prime contractor's staff, such as surveying or soils engineering work. The contract anticipated this need and authorized the contractor to select and supervise such subcontractors and consultants, but did not provide a mechanism for paying them. This amendment does not increase the amount of the contract, but provides the mechanism for Shapiro to pay for subcontractors and for Shapiro to be paid 10% additional to cover the overhead and administrative costs incurred from selection of the subcontractors and supervision of their work. All subcontractor work ordered by the Shapiro firm must have prior written approval from staff in order to be reimbursed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND

NEW BUSINESS (continued)

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-82 BE ADOPTED.

- (f) Resolution No. 118-82, requests authorization to extend the time of submission of a Pre-Preliminary Development Proposal to May 25, 1982 for Parcel 3773, Lots 2, 3 and 4 bounded by First, Bryant, Beale and Brannan Streets in the Rincon Point - South Beach Redevelopment Project.

Mr. Hamilton reported on item (f) as follows. The owners of this property, United Engineering Company, have entered into a sales agreement with South Beach Development Company who desire to develop the property. The South Beach Development Company has advised staff that it is in the process of concluding negotiations with a potential general partner, as well as preparing pre-preliminary development designs. Staff believes the requested extension is reasonable based on progress by South Beach Development Company in preparing the development proposal. Mr. Lee requested that the parcel be identified and Mr. David Stoloff, Business Development Specialist, pointed out the location of the parcel on the property map and indicated the parcel contained eight acres.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-82 BE ADOPTED.

- (g) Resolution No. 119-82, requests authorization to extend the time of submission of a Pre-Preliminary Development Proposal for 90 days to July 27, 1982 for Parcel 3789, lots 21, 24 and the southerly 230 feet of lot 15 bounded generally by First, Townsend, Colin P. Kelly and Brannan Streets in the Rincon Point - South Beach Redevelopment Project.

Mr. Hamilton reported on item (g) as follows. The owners of this property, Campeau Corporation of California, submitted a substantial portion of their Pre-Preliminary Development Proposal on the original deadline of January 22, 1982. However, their proposal was incomplete and a 90-day extension was granted to permit the completion of the proposal. One of the items Campeau has agreed to prepare is a response to the Agency's request for the developer to indicate the extent to which it would contribute to meeting the low and moderate income housing objectives of the Plan. Campeau has retained a housing consultant to assist in preparing a response and has requested an additional 90 day extension for them to complete the work. Staff finds Campeau Corporation is making a sincere effort to be responsive to the Agency's concerns and its request reasonable for the work being undertaken.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-82 BE ADOPTED.

- (h) Resolution No. 120-82, requests authorization for Redmond Kernan, Deputy Executive Director, and Richard Kono, Acting Development Director, to attend the Urban Land Institute's (ULI) spring conference in Denver, Colorado on May 20 through May 22, 1982, in an amount not to exceed \$2,100.

The program in Denver is particularly applicable to the Agency's program, since the conference provides a range of panels including an analysis of mixed-use development financing as well as discussion of inclusionary zoning for housing programs and it will be beneficial for the Agency to have staff participate in these meetings. It also provides a forum for discussion of the Agency's program. Mr. Kernan and Mr. Kono both are involved with the Agency's development program on a daily basis and it is recommended they attend this conference.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 121-82, commending the classical garden delegation from Shanghai on the Occasion of its visit to San Francisco.

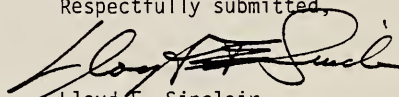
Mr. Hamilton requested that the Secretary, Mr. Lloyd Sinclair, read into the record a resolution regarding the currently visiting delegation from Shanghai who were here to explore the possibility of building a Chinese Garden in Yerba Buena Center. This resolution expresses the Commissions' appreciation for their visit and extends best wishes for the success of our mutual efforts. Mr. Sinclair then read the resolution and Mr. Hamilton recommended adoption.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

May 11, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF MAY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of May, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Elyza Hemingway, Reverend Amos Brown, Deacon R. Jones, Third Baptist Church; David K. Yamakawa, Jr., Wesley Nihi, David Nakizawa, Japanese Cultural and Community Center of Northern California (JCCCNC); M. K. Staymates, Western Addition Neighborhood Association; Nicola E. Smith, Kimball Park Project; Ben Stewart; Western Addition Project Area Committee (WAPAC); Bill Ward, International Longshoremen's and Warehousemen's Union (ILWU); and Aubrey L. Lewis, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

REPORT OF THE PRESIDENT

President Berk reported to the Commissioners on the following matter.

- (a) President Berk noted that last Saturday she had attended the Saint Francis Square's launching of that project's solar energy system for heating water and commended the development on this undertaking.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter.

- (a) This evening and again on Thursday, May 6, the Mayor's Office of Housing and Community Development will hold Public Hearings on Needs for the 1983 Community Development Program at the Board of Supervisor's Chambers at 7:00 p.m. Staff will attend.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel 750-A, located in the block bounded by Eddy, Fillmore, Steiner and Turk Streets, to Third Baptist Church, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 96-82, requests authorization to enter into a Land Disposition Agreement (LDA) with Third Baptist Church of San Francisco one of the oldest Black institutions in San Francisco, for Parcel 750-A, located in the block bounded by Eddy, Fillmore, Steiner and Turk in the Western Addition A-2. This item was continued from the meeting of April 13 to allow staff time to further develop the language for the LDA relating to the phasing of this development.

Exclusive negotiations were authorized in September 1980 with subsequent extensions, the last one authorized on February 2, 1982.

The development is to be done in three phases. In Phase I, the developer proposes to build a commercial/office building fronting on Fillmore Street; an elementary school with gymnasium for 360 students; a playground for the school; a parking lot for 127 cars; and a plaza in the center of the site. Phase II provides for replacement of the playground by a convocation/senior citizen center or other uses as permitted in the redevelopment plan.

Staff has reviewed the total site plan and believes it is essential that the convocation/senior citizen center be developed, since, as the third of four buildings to be constructed around a central plaza, the master phase design would fail without it.

The Church has two years from Phase I start of construction to complete construction of Phase I and three years to start construction of Phase II. If the Church is unable to go forward with Phase II at that time, the LDA provides for development of the site by another entity for housing or other permitted use.

In Phase III, a sanctuary will be built on or over the parking lot. The construction of the sanctuary may eliminate over a third of the surface parking for Phase I. These spaces plus those required for the sanctuary must be provided off site in order for Phase III to be feasible. The LDA language guarantees that this parking prerequisite is met.

The Phase I dates in the Schedule of Performance are for Submission of Evidence of Financing by August 1982 and to Commence Construction by November 1983.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-82 BE ADOPTED.

NEW BUSINESS

Mr. Hamilton indicated that items (a) and (b) are related in that both developments, Jones Senior Homes and El Bethel Terrace, have been informed by HUD that it is enforcing a HUD cost containment policy of last November, which is in time, causing a cost-mortgage gap for these developments. HUD has given the developers until September 30, 1982 to resolve the financing difficulties and told them that their projects substantially exceed per unit cost ceilings and their respective applications would not be processed further until costs were brought within those ceilings through redesign or sufficient funds found to bridge the gap. Both developers are now pursuing financial assistance including assistance from office developers in need of housing credits through the Mayor's Office of Housing and Community Development.

Staff believes that every effort should be made to help these developments in order to provide for the 151 units of low-income housing for the elderly to be built in the Western Addition.

- (a) Resolution No. 122-82, requests authorization to extend by four months the Performance Schedule to the Land Disposition Agreement (LDA) with Jones Senior Homes for the Parcel 683-E located on the northwest corner of Fillmore and Post Streets, Western Addition A-2.

The LDA was approved on March 3, 1981 with an extension on October 27, 1981 for developer to build 51 units of elderly housing and approximately 5,000 square feet of commercial space. The funding gap for this development is approximately \$ 700,000 because the estimated replacement costs exceed the maximum insurable mortgage by that amount. The developer is attempting to meet the gap by raising money from private sources and/or from a redesign. Because of the delay and cost limitations imposed by HUD, Jones Senior Homes, Inc. has been unable to provide its final construction documents and has requested an extension which would change the submission of evidence of financing from April 30 to August 9, 1982; and Commencement of Construction from July 30 to October 9, 1982.

Approval of 9(a) authorizing the extension of the Performance Schedule for Jones Senior Homes is recommended.

Ms. Mary J. Staymates, WANA, indicated that, in reference to Mr. Mardikian's questions on granting extensions last week, she believed such questions are timely; that \$700,000 is not a small amount; there have been vacant lots for ten years; extensions have gone on so long that developments now require substantial subsidies to make them feasible for low cost housing; and if there is anyone in the private sector with money to develop, it is time to let them do it.

NEW BUSINESS (continued)

Mr. Hamilton indicated that these extensions are in accord with the Agency's policy to provide housing for low and moderate income persons. Similar criticisms were heard with respect to the 300 units in Hunters Point where ultimately a \$3.5 million gap was bridged through the contribution of Marathon Development Corporation, which made it possible for the Agency to provide housing for 300 low and moderate income households. There is no doubt that if the Agency offered these two sites, it would get some interest from market-rate developers, but the income group the Agency is trying to reach with these HUD assisted 202 housing developments would not be reached. This is the last opportunity for the Agency and the City to take advantage of the HUD commitments for elderly housing in the Western Addition. And, since the federal government has granted extensions to September 30 of this year, it would be unconscionable for the Agency not to permit the developers until then to try and bridge the funding gap.

Mr. Mardikian indicated that he understood Ms. Staymates' point, but in light of the Executive Director's explanation of the Agency's goals and the apparent possibility of the gap being breached, he moved adoption of the amendment.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-82 BE ADOPTED.

- (b) Resolution No. 123-82, requests authorization to extend for six months the Performance Schedule to the LDA with El Bethel Terrace for the Parcel 774-C, located on the southwest corner of Fillmore and Golden Gate Avenue in the Western Addition A-2.

The LDA was approved in June 1981 for El Bethel who proposes to build 100 one-bedroom rental elderly housing units and retail commercial space with the development to be financed through the Section 202 Direct Loan Financing Program with Section 8 rental assistance.

The gap for this development is \$2,000,000 as the estimated replacement costs exceed the maximum insurable amount by that amount. Because of this difference, El Bethel must reduce the cost of its development to be within the insurable mortgage amount or seek other financing. Like Jones Senior Homes, El Bethel Terrace is attempting to raise additional money from private sources and to redesign the development.

An extension of the performance schedule will change the submission of evidence of financing from April 30 to November 9, 1982 and Conveyance of the Site from June 30 to December 9, 1982.

Approval of 9(b) authorizing the extension of the Performance Schedule for El Bethel is recommended.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 123-82 BE ADOPTED.

- (c) Resolution No. 124-82, requests authorization of a Second Amendatory Agreement to extend 90 days the Performance Dates to the LDA with Goodlett Management Corporation for the development known as Kimball Park Project, for Parcel 707-B located on the northeast corner of O'Farrell and Steiner Streets, Western Addition A-2.

Mr. Hamilton indicated that he had met yesterday with the Mayor's Deputy for Development, Mr. Hadley Roff and the Director of OCD, Mr. James Johnson to discuss the problems unique to a number of small developers trying to obtain financing for their developments. A number of alternatives for providing some assistance were explored during the meeting. Deputy Mayor Roff has agreed to work in concert with the Agency to make a direct approach to the financial community to ask for the assistance necessary to make it possible for these developers to proceed.

The LDA was authorized in April 1981 with the developer proposing to build 20 two-bedroom condominiums over a parking garage. Design of the development has proceeded on schedule and documents have been submitted to the City for approval for a building permit.

Goodlett Management Corporation has been negotiating for several months with the International Longshoremen's and Warehousemen's Union (ILWU) on the Unions' proposal to provide permanent financing and underwrite the construction loan for the development.

Nicola Smith and Paul Faberman, Goodlett's representatives have diligently pursued obtaining a firm commitment from the Union. The ILWU's Board of Trustees has not yet taken formal action, but the ILWU does remain strong in its intention to participate in the proposed development. While awaiting the firm commitment, the developer has requested an extension of time which would change the submission of evidence of financing from May to August 1982 and Conveyance from July to October 1982.

Mr. Hamilton indicated it is believed that within the 90 day extension, those matters under consideration by the Mayor's Office and efforts by the Union will be sufficiently visible to see if they are realistic or not at which time the Agency would be in a position to make a more informed recommendation to the Commission.

Mr. Bill Ward, ILWU Trustee, indicated that the ILWU was very serious in reaching a stage in the negotiations to be able to help finance this development. This had been a time consuming endeavor, as unlike other unions, ILWU does not have full-time paid administrators to deal with these matters and so the Trustees have had to take time out of their busy schedules to deal with this matter. However, he indicated that the ILWU would be coming to a speedy solution of this matter.

NEW BUSINESS (continued)

Ms. Blomquist inquired what the time schedule was for making a decision and Mr. Ward indicated approximately six weeks.

Reverend Amos Brown, Third Baptist Church, indicated his support of this development and asked the Commission to vote in favor of this extension.

Ms. Blomquist indicated that at the April 13 meeting it was mentioned that Kimball Park would be one of the developments included in the SB-99 Bond Issue and requested the status of that financing. Mr. Richard Kono, Acting Development Director, indicated that the Agency is exploring a number of ways in trying to help the small developers and SB-99 is one of those, however, since the financing with the Union is close to completion the developer will go with that financing. Ms. Blomquist indicated she had asked at the meeting of April 13 how some of these developments qualify for SB-99, but had not received that information and Mr. Kono indicated that the information was now ready and would be sent this week.

Ms. Blomquist indicated that this was a most flagrant example of delaying a development in the Redevelopment Agency's Western Addition. She then read from a memo of November 1, 1976 regarding the Kimball Park Project, which set March 4, 1977, as the date evidence of financing for the development was due. She stated that the Commission is still hearing the same situation and she could not support this extension.

Mr. Newman indicated that a great deal of progress has been made on this development, even though it has been a very difficult undertaking and many years have lapsed since it originated; but hearing Mr. Ward and the Reverend Brown, it appears they are finally over the hump and in six weeks we hope to see some progress and he moved adoption of this item.

Ms. Nicola Smith, representing Kimball Park, indicated she was pleased to be part of Pension Funds being introduced into the local mortgage market by ILWU and requested the Commission support this extension.

Mr. Aubrey L. Lewis, resident of the Western Addition, indicated his support of the development and the extension.

Mr. Arnelle indicated his agreement with Mr. Newman's comments and believed this development to be well on its way.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 124-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman
Ms. Berk

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

President Berk indicated she had also been looking through old files and noted that Ms. Nicola Smith had appeared before the Commission regarding this item in 1979. President Berk also indicated she believed that Ms. Staymates in speaking for WANA, is trying to advise the Commission that those who live in the Western Addition are painfully aware of the fact that they do not see any action. President Berk also expressed her hope that with the ILWU's cooperation, the Commission will soon see progress on this development.

- (d) Resolution No. 125-82, requests authorization to approve the redesignation by the Nihonmachi Community Development Corp., (NCDC) of the Japanese Cultural and Community Center of Northern California (JCCCNC) as developer for Parcel 676-K located on the north side of Sutter, between Buchanan and Webster in the Western Addition A-2, until March 1, 1983.

The 1968 Agreement between the Agency and the NCDC provide land for development of a community facility. This parcel was allocated to the JCCCNC for that purpose; and they propose to construct a three-story building with a gymnasium and a multipurpose room with kitchen facilities on the first floor; meeting rooms, offices and classrooms on the second floor; and an atrium on the third floor for an estimated construction cost of \$2.5 million.

The JCCCNC was designated in December of 1980 with the expectation they would receive a \$1.3 million grant from the Heritage Conservation Program of the Urban Park Recreation and Recovery Act of 1978; however that did not come through and the designation expired in June of last year. Our procedure in the Nihonmachi is that the NCDC designates a Developer/Allocate and after review by WAPAC, requests that the Commission approve the designation.

The current President of JCCCNC, Ms. Edith Tanaka, has requested and WAPAC approved the redesignation and staff feels JCCCNC can be successful this time in raising the funds at this community organization has taken steps to do so including the hiring of a professional consultant to assist in the fund raising and prepared a capital development plan.

The resolution requires: that NCDC accept the appraisal price by December 31, 1982; that JCCCNC provide the status of its fund

NEW BUSINESS (continued)

raising efforts by January 15, 1983; and that NCDC determine it will provide the land price by March 1, 1983.

Mr. Wesley Nihi, Project Coordinator for JCCCNC, indicated his support of this redesignation and asked that the Commission vote in favor of this item.

Mr. Newman indicated that this facility would generate a lot of activity and inquired, since there is no on site parking, what provisions had been made for parking. Mr. Hamilton indicated that parking lots had been provided through the Master Plan for all the components and were already built. Mr. Newman inquired how close is the nearest parking facility and Mr. Richard Kono indicated there was one parking lot one-half block from the mall, plus 800 spaces under the Japanese Trade Center.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-82 BE ADOPTED.

- (e) Resolution No. 126-82, requests authorization of Change Order No. 2 to Site Clearance Contract No. 79 in an amount not to exceed \$33,165, Western Addition A-2.

At the meeting of March 9 award of this contract was made to McGuire and Hester to provide for the relocation of utilities at Ellis and O'Farrell Streets for the proposed Fillmore Neighborhood Commercial Center.

One of the items of work is construction of a concrete encasement for an existing 12-inch low pressure watermain on O'Farrell Street. This will now be deleted and substituted with a new concrete-encased 12-inch watermain at a new location. The new location is necessary in order to conform to development plans recently completed by Safeway Stores.

Safeway's development plans include lowering of existing O'Farrell Street grades and construction of a plaza over a portion of O'Farrell near Fillmore Street, both of which require removal of the existing watermain.

The Water Department has concurred in this change and has prepared the necessary design plans for the work.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-82 BE ADOPTED.

- (f) Resolution No. 127-82, requests authorization of a Third Amendment to the Agreement with Catalyst Financial Corporation regarding the A-1 Plan Change for an extension of time to provide for construction of 150 units of new housing on Parcel 696, Lots 12, 14 and 21, located on Post and Gough in the Western Addition A-1.

NEW BUSINESS (continued)

The Agreement was approved on October 12, 1981, and was intended to implement the previous action taken regarding the amendment to the Western Addition A-1 Plan Change to allow construction of 150 units of market-rate new housing on the Post and Gough Street site. The Plan Change was approved and became effective November 30, 1981. This Agreement was subsequently amended to allow the developer extra time in preparing designs for the new tower in A-1, which have now been brought to the schematic stage and the OP Agreement with Catalyst for the new tower will be calendared for the meeting of May 11. This Third Amendment will then permit an extension of the deadline for entering into the OP Agreement until the meeting of May 11. This Agreement also provides for rehabilitation of 25 housing units in A-2, which process has also been delayed and is calendared today as a companion item.

Approval is recommended of 9(f) which authorizes an extension of ten days to provide for construction of 150 units of new housing in Western Addition A-1.

Ms. Blomquist inquired what remedy the Agency has if the developer does not go through with the rehabilitation portion of this agreement and Mr. Leo Borregard, Agency General Counsel, indicated that the Owner Participation Agreement explicitly states that the Agreement is subject to termination if Catalyst does not enter into the LDA to rehabilitate the 25 units, and also that a request for a building permit for the new tower would not be approved by staff unless that condition is met.

Mr. Ben Stewart, WAPAC, inquired if the Agency's proposed program of condominium affordability and possible application of a less than 120% of median income provision would apply to the 25 units or only to the Agency's In-house Condominium Program and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated the proposed program is related to the In-House Condominium Program not the 25 units. Mr. Stewart inquired if there was any way to apply it to the 25 units to make them more affordable and Mr. Hamilton indicated that this will certainly be explored because the Agency's objectives are also to achieve the greatest number of affordable units, but an earlier agreement with Catalyst anticipated using the 120% median income factor and modifying that would have significant effects on the economics of this development and unless there was mutual agreement the Agency would be loathe to unilaterally impose such a change.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-82 BE ADOPTED.

- (g) Resolution No. 128-82, requests authorization to extend Exclusive Negotiations for 120 days with Catalyst Financial Corporation for the purchase and rehabilitation of 25 units in four buildings at 1985 Ellis, 1353-67 Eddy, 1915-19 Eddy and 1917 Ellis in the Western Addition A-2.

NEW BUSINESS (continued)

Exclusive Negotiations were authorized on January 26 to implement the agreement with Catalyst Financial Corporation and is a condition for recommending the change to the A-1 Plan to allow construction of market rate new housing on property located at Post and Gough Streets which was the subject of 9(f).

When Exclusive Negotiations were renewed on March 23, 1982, two items were still to be completed by the developer - submission of acceptance of architectural schematic plans prepared by the Agency's architects and submission to the Agency of a satisfactory plan for moderate income marketing. Both of these items were completed in a timely fashion.

However, it is now clear that the level of detail originally anticipated in the submission for the moderate income marketing plan is not sufficient to ensure success of the program. With the development of the Agency's Affordable Condominium Program, it appears that a feasible mechanism will be available to also make the Catalyst units affordable, but development of a final format for the program is still several weeks away and staff and developer believe it is appropriate to extend Exclusive Negotiations for 120 days, to September 1, 1982, to allow the Affordable Condominium Program to be brought forward to the point it can be included as part of the Disposition Agreement with the Developer.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-82 BE ADOPTED.

- (h) Resolution No. 129-82, requests authorization of a First Amendment to the Legal Services Agreement with Erickson, Beasley & Hewitt in an amount not to exceed \$4,000; and (i) Resolution No. 130-82, requests authorization of a Second Amendment to the Legal Services Agreement with Rogers, Vizzard and Tallett in an amount not to exceed \$10,000 both in connection with the Rincon Point - South Beach Project Area.

Rogers, Vizzard and Tallett have been providing legal services for the Agency since 1960. In April 1980, the Agency contracted with this firm to obtain their specialized legal services in connection with the Rincon Point - South Beach Project.

In furtherance of the Agency's affirmative action policies it was determined to utilize the services of a minority attorney to assist the Rogers' firm and Ms. Alice Beasley of Erickson, Beasley and Hewitt has been providing excellent service to the Rogers' firm and Agency staff.

It is now requested to amend both contracts to include condemnation litigation services, as both contracts currently cover only condemnation advice, research and consultation services.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-82 BE ADOPTED.

Minutes of a Regular Meeting, May 4, 1982

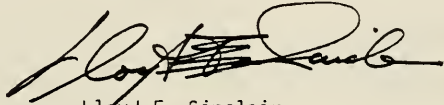
NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

May 18, 1982

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11-82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF MAY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 11th day of May, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were William McClure, Lassen Associates; B. Hagan, Hagan Family Trust; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); David Cincotta, Catalyst Financial Corporation; and Bruce Franks, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of April 27, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Regarding the recent newspaper accounts about the water leaks in the Moscone Convention Center, the media has contacted the Agency and they have been advised that while the Agency issued the bonds and are technically and legally the owners of the facility, it is a matter the City will be handling. The Agency share Mr. Boas' concerns and any new developments will be reported to the Commission.

NEW BUSINESS

(a),(b) and (c), Requests authorization of Financing Agreements in connection with the Agency issuance of tax-exempt construction loan notes and mortgage revenue bonds for three Section 8 Developments in the Tenderloin: Resolution No. 131-82 would authorize the agreement for Serenity Towers, a 73-unit project to be rehabilitated by the Hagan Family Trust; Resolution No. 132-82 would authorize the agreement for Aspen Apartments, an 82-unit project to be rehabilitated by the Aspen Group West; and Resolution No. 133-82 would authorize the agreement for Lassen Apartments, an 81-unit project to be rehabilitated by Lassen Associates.

Mr. Hamilton reported on items 9(a), (b) and (c) as follows. These developers have requested that the Agency provide construction and/or permanent financing through tax-exempt notes and bonds for their Tenderloin Section 8 Projects and for the Agency to seek Board of Supervisor's approval, which staff has done and is now working with Bond Counsel to prepare the documents necessary to issue the bond and notes to be brought before this Commission in a few weeks. All issuance costs including a fee to cover the Agency's costs for administration of the construction loan notes and mortgage revenue bonds will be paid out of bond and note proceeds. If the bonds and notes are not issued the developers have agreed to pay all costs incurred and to indemnify the Agency. In turn, the Agency will agree to use its best efforts to issue the notes and bonds. Approval of these three separate Financing Agreements with Serenity Towers, Family Trust and Aspen Group West is recommended.

Mr. Lee inquired what costs were involved for the Agency and how the Agency is assured of being reimbursed for these costs if the bonds and notes are not issued. Mr. David Oster, Assistant General Counsel, indicated that costs incurred would be such items as rating fees, printing cost and administrative cost of preparing the documents. Also, that the Financing Agreements now before the Commission, contain provisions that assure the developers will pay these fees, even if the bonds and notes are not issued.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-82 BE ADOPTED.

- (d) Resolution No. 134-82, requests authorization to expend \$2,500 for a newspaper outreach campaign to contact certificate holders whose whereabouts are currently unknown to the Agency.

Mr. Hamilton reported on item 9(d) as follows. Over the years as rehoused families and individuals move to other housing, the Agency's mailing lists need up-dating. In the Western Addition A-2

NEW BUSINESS (continued)

only 21% of the unused certificate holders are on the current mailing list, and in Hunters Point it is 45%, and in Stockton-Sacramento 43%. Up-dating the mailing lists at this time becomes more important as certificate holders need to be notified about the 300 units in Hunters Point, the affordable condominium program in the Western Addition and Woolf House II in YBC. The advertisement would be run in the display section of the major and community newspapers. Staff is anxious to notify as many certificate holders as possible of affordable available housing.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-82 BE ADOPTED.

President Berk inquired how long it had been since the Agency advertised to update the mailing list and Ms. Lee Cayton, Housing Management Supervisor, responded that this was the first time.

- (e) Resolution No. 135-82, requests authorization of an Owner Participation Agreement (OPA) with Catalyst Financial Corporation for the parcel located at the southeast corner of Post and Gough St Streets in the Western Addition A-1.

Mr. Hamilton reported on item 9(e) as follows. The proposal for this parcel is to construct a 20-story tower with 5,000 square feet of neighborhood-serving, commercial space on the ground floor, and 150 condominium apartments on the upper stories. This development is conditioned on Catalyst's commitment to rehabilitate 25 units in A-2 that are to be made available for moderate-income households. In order to ensure that the new tower is not built unless the owner also carries out the rehabilitation, the OPA specifically indicates it will be terminated if the Agency and the Owner do not reach agreement on the terms of the LDA for the rehabilitation. Also, the OPA explicitly states staff would not approve a building permit application and the new housing development could not go forward without the LDA for the rehabilitation. The last significant issue to be resolved in preparation of the OPA has been the Owner's commitment to the Agency's Affirmative Action goals. Although there is no AA Program required for A-1 where the construction will take place, the developer is carrying out a project in the Western Addition and in a Redevelopment Area and should therefore participate in the Agency's overall AA program. The developer has agreed with this concept and language is included in the OPA that obligates the Owner to prepare a program to set goals and timetables for Minority Business Enterprise participation and the hiring of employees. The details of this AA program will be submitted by the developer at least thirty (30) days prior to submission of Design Development Drawings. The Legal Division is still reviewing this agreement and approval is recommended of the OPA with Catalyst subject to legal review and approval.

NEW BUSINESS (continued)

Mr. Leo Borregard, General Counsel, indicated that the Agreement has been reviewed by Mr. Mark Doane, Senior Attorney, but he is currently on vacation and that although he does not expect to have a problem with the agreement, he would like to review it with Mr. Doane. Mr. Borregard also indicated that he had discussed this with Mr. David Cincotta, the attorney for Catalyst, and he had no problem.

Ms. Mary Rogers, WAPAC, inquired as to when construction would begin and Mr. Hunter Johnson, Chief of Rehabilitation, indicated that the outside date was approximately one year, but the developer is anticipating an earlier start.

Mr. Newman inquired what the construction cost of the rehabilitated units would be and the sales price of the new units and Mr. Johnson responded that the average rehab cost of the rehabilitated units would be \$60,000 - \$80,000 and Mr. Cincotta responded that the sales price of the new units had not been set, but the target range would be \$150,000 to \$200,000.

Mr. Newman inquired as to whether the 25 additional units were in effect a variance and Mr. Borregard responded that A-1 Plan Change permitted a higher density.

President Berk inquired if the A-1 Plan Change permitted the 150 units and Mr. Borregard responded that the 150 units were not specifically noted, but the higher density permitted the 150 units.

Mr. Newman indicated his concerns regarding the granting of a one-to-one density bonus for each of the 25 units to be rehabilitated and inquired if the Agency was actually getting good value for that bonus, as the developer would be gaining as a result of the extra 25 new units they would build. Mr. Johnson responded that the goal was to provide rehabilitated units for moderate income persons and by the granting of this bonus of an additional 25 new units to the developer who would also be required to rehabilitate the 25 units in exchange, the Agency's goal was being met and staff believes the Agency is receiving good value for that bonus.

Mr. Newman indicated that on that basis his concerns were satisfied.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-82 BE ADOPTED.

- (f) Resolution No. 136-82, requests authorization of a Closeout Agreement between the Agency and the City for the Western Addition A-2.

Mr. Hamilton reported to the Commission that in reviewing the implications of the Close Out Agreement, it has come to staff's attention that there are matters that bear upon the Certificate

NEW BUSINESS (continued)

Program and other issues of vital importance to the Community that need to be examined more closely. Though the Agency would like to have a financial close out of this project as quickly as possible in order to eliminate paying tremendous interest costs, it is requested that this item be continued for one week to resolve these issues.

Mr. Mardikian requested a memorandum be sent to the Commission explaining what these issues are and Mr. Hamilton noted that one of the issues is concerning the Certificate Program. In the Western Addition A-1, the Certificate Program was tied to the Financial Close Out. However, in A-2, the Agency will continue to implement the Certificate Program for some years and could be in a situation of a non-effective Certificate Program if something is not done to remedy this. It was never the Agency's intention to prematurely terminate the Certificate Program, but that could have been the net effect. Staff will provide a memorandum to the Commission on this matter.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (f) would be continued for one week at staff request. There being no objection, it was so ordered.

- (g) Resolution No. 137-82, requests authorization to award Janitorial Services Contract for the Western Addition A-2 site office to Bay Area Janitorial and Maintenance Company in an amount not to exceed \$10,639 for a one year period.

Mr. Hamilton reported on item 9(g) as follows. Under the current contract with American Building Maintenance, a one year extension could be granted if the increase was 10% or less, but because of increases in labor costs American Building Maintenance were unable to do so and the contract were put out to bid.

Seven bids were submitted with Herbert LaBrane the low bidder. However, Mr. LaBrane's bid of \$7,500 did not have the accompanying required documents submitted with the bid and therefore, staff recommends award of this contract to Bay Area Janitorial and Maintenance Company, the next low responsible bidder.

Ms. Mary Rogers, WAPAC, indicated that she was concerned that this firm hire someone from the community, but believed she had worked this out with Bay Area Janitorial and Maintenance Company and they had come to an agreement.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-82 BE ADOPTED.

- (h) Resolution No. 138-82, requests authorization for two staff persons to travel to Los Angeles on May 14 to meet with HUD Central Office UDAG staff to review the UDAG progress report for the Fillmore Commercial Center in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported that the presence of the staff technicians is required and UDAG Administrative Funds are available. The total expenditure for both persons is \$500, and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-82 BE ADOPTED.

- (i) Resolution No. 139-82, requests authorization for Helen Sause, Project Director, Yerba Buena Center, and Mr. Hamilton to attend the NAHRO/PSWRC Annual Conference and Executive Board meetings being held in Las Vegas, Nevada, May 22-25 in an amount not to exceed \$800.

Mr. Hamilton reported on item 9(i) as follows. This conference will enable Mr. Hamilton to moderate and participate in various panels dealing with problems this Agency faces because of budget cuts and other effects of this Administration's economic policies. Ms. Sause and Mr. Hamilton in their capacities as Officers and Executive Board Members, will participate in the Executive Board meeting to consider regional policy issues and they will also be attending regional committee meetings. Mr. Stephen Bollinger, HUD Undersecretary, will be attending this conference which will provide an opportunity to discuss some of the project issues which require his assistance.

Funds are available and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-82 BE ADOPTED.

- (j) Resolution No. 140-82, requests authorization to submit an offer to General Services Administration (GSA) to purchase 49 Fourth Street in Yerba Buena Center.

Mr. Hamilton reported on this item as follows. Negotiations with GSA have culminated in an agreement at staff level which enables the Agency to begin the acquisition process required by GSA and will necessitate the Agency tendering a formal offer to purchase accompanied by a 10 percent deposit. This offer will then be evaluated by GSA and submitted to a Congressional Subcommittee for its review. Upon completion of this review, GSA will submit to formal acceptance of the offer. In regard to the purchase price, GSA's procedures preclude public disclosure until after acceptance of the offer. Acquisition of this property is essential to successfully conclude negotiations for the development of YBC Central Blocks. Staff believes the Offer to Purchase is appropriate and recommends approval.

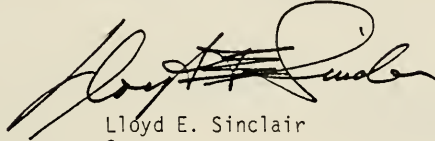
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-82 BE ADOPTED.

Minutes of a Regular Meeting, May 11, 1982

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

May 18, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF MAY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of May, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Margaret Brady, Parking Authority; Amancio Ergina, Kendall Hobbs, Yerba Buena Foundation; David Hummel, Randy Schell, Community United Against Violence (C.U.A.V.); Paul D. Hardman, The Voice; Peter G. Shields, Reverend Arthur Dausen, Grace M. Miller, Peggy, Donald and D. Loren Popineau, Melvin T. Johnson, Joe Quan, Glad Tidings Temple; Ben Stewart, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Mary D. James, Roslyn Baltimore, Fillmore Complex Association; Greg Bey, Sentinel; Michael Emrys, The Parsonage; Bishop Mikhail Itkin, Community of the Love of Christ; and James Gilman, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting for May 4, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of May 11, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Dedication Ceremonies are being held by L & L Enterprises and residents of Univista Apartments for the Charles Turner Memorial Park on Thursday, May 27, 1982, at 1340 Turk Street.

UNFINISHED BUSINESS

- (a) Resolution No. 136-82, requests that authorization of a Closeout Agreement between the Agency and the City for the Western Addition A-2 be granted, was continued from last week's meeting.

Mr. Hamilton reported on item (a) as follows. The Agency now has available from grants and land sales proceeds, sufficient funds to pay off our indebtedness under the Loan and Grant Contract for this program and HUD is anxious this be completed by June 15 of this year, the due date of the current temporary loan. The Closeout Agreement varies from the standard form by committing all land sales proceeds, subsequent to financial settlement; first, to complete activities in the Project Area and then, if any funds remain, to repayment of loans on the YBC Redevelopment Project. The advantages are not only economical, saving approximately \$900,000 a year in interest costs, but increases the Agency's flexibility in the disposition of unsold properties. Staff's concern about the effect of a financial closeout of A-2 on the Agency's Certificate Program which was reported at last week's meeting, has been resolved. Staff was concerned that the Agency's Certificate Program in A-2 might not be in effect after financial closeout of the project. However, staff has determined that under the Certificate Program, the validity of certificates is assured for two years beyond project financial closeout. Also, that date can be extended by action of the Executive Director or the Commission and staff will, during the next few weeks, determine the appropriate extension and come before the Commission with the necessary actions. The Commission has been provided with a letter from Mr. Mills to Mrs. Mary Rogers responding to her questions about the Agreement for financial closeout of A-2.

Ms. Mary Rogers, WAPAC, noted that she had a number of concerns and wanted a resolution to extend the Certificate Program more than two years after the Close Out Agreement and Mr. Hamilton indicated that he supported that idea and after a thorough review, staff would bring it to the Commission for their approval.

Ms. Rogers, inquired what rules and regulations governed the implementation of the program after the Close Out Agreement and Mr. Leo Borregard, Agency General Counsel, indicated that the Community Development Regulations apply and also provisions of State Law under which the Redevelopment Agency is governed.

Ms. Rogers indicated that there is a serious problem with housing and that middle and low-income people were being priced out of their

UNFINISHED BUSINESS (continued)

housing and there should be a mutual agreement that that does not happen and Mr. Hamilton indicated that the Agency was required to do what the CD regulations require, but if more assistance could be provided within those regulations, then the Agency would consider it.

Mr. Arnelle indicated there was a principle he was concerned about and asked Ms. Rogers if her understanding is that within the Federal legislation and regulations, former residents of Western Addition who were displaced by redevelopment action would be provided publicly supported affordable housing and that the housing would remain affordable throughout the period of the housing lease. Ms. Rogers indicated that was her understanding. Mr. Borregard advised that this was not his understanding and that he understood this is a matter that is currently under litigation with Ms. Rogers. Ms. Rogers denied this. Mr. Arnelle, however, indicated that since that matter is now under litigation, it was not appropriate to be discussed at this time.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-82 BE ADOPTED.

NEW BUSINESS

Public Hearing to hear all persons interested in the conveyance of Parcel 733-A, east side of Webster Street between Ellis and Eddy Streets, to Glad Tidings Tabernacle, Inc., Western Addition A-2.

- (a) Resolution No. 141-82, requests authorization of an Owner Participation Agreement with Glad Tidings Tabernacle for the property at 1441-1475 Ellis and 1360 Eddy in the Western Addition A-2.
- (b) Resolution No. 142-82, the subject of the Public Hearing requests authorization of an LDA with Glad Tidings for the parcel located on the easterly side of Webster between Eddy and Ellis.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on items (a) and (b) as follows. The building at 1441 Ellis Street is a six-story concrete and woodframe building used as classroom facilities for a Day Care School; a dining and fellowship hall; a dormitory consisting of 31 separate rooms with a shared kitchen facility; four 3-room apartments; and one 4-room apartment. The building at 1475 Ellis has been used for church services for over 60 years and is a concrete and woodframe building containing the church sanctuary, a congregation hall, church administration offices and the main part of a licensed Day Care School. At 1360 Eddy is a single story concrete building presently used as a car wash and automobile body repair shop. The LDA with Glad Tidings is contingent upon the completion of the rehabilitation

NEW BUSINESS (continued)

required by the OPA. The church will use this 11,364 square foot parcel for off-street parking as permitted by the Redevelopment Plan and the LDA contains language that would require Commission approval for any other use. The LDA would also extend the life of the appraisal price of \$56,800 for 18 months from the current expiration date of May 21, 1982. WAPAC has considered this matter on two occasions, but has not taken a position on the OPA and LDA.

The following persons spoke in opposition to item (b), to sell land to Glad Tidings because they indicated Glad Tidings allowed an organization called SOS (Save our Souls), to use their facilities to hold meetings, and that SOS was alleged to distribute hate literature against gays and consequently created physical violence against gays.

Randy Schell, Community United Against Violence (CUAV); Paul Hardman, The Voice; James Gilman, taxpayer; Bishop Mikhail Itkin, Community of the Love of Christ; and David Hammel, CUAV.

The following persons spoke in favor of item (b) and indicated that though they acknowledged allowing SOS to use their facilities, the church had no connection with nor would the church condone the alleged activities of SOS and that the literature has no part of Glad Tidings.

Melvin Johnson, Pastor at Glad Tidings and Peter Shields, member of Glad Tidings, Mary Rogers and Benny Stewart of WAPAC, spoke in support of providing the property to Glad Tidings although WAPAC had not taken a position on this item.

Ms. Rogers also suggested continuing this item for one week to give Glad Tidings and CUAV a chance to work out their problems.

There being no further persons wishing to appear in connection with the matter, President Berk closed the public hearing.

Ms. Blomquist indicated she was concerned that this property was being sold as a parking lot and inquired what uses were allowed in the Redevelopment Plan and Mr. Kono indicated residential and parking. Ms. Blomquist inquired what the original price was and Mr. Kono indicated he did not know what we paid the City. Ms. Blomquist inquired how long we had owned the property and Mr. Kono indicated since 1967. Ms. Blomquist inquired what was on the property and Mr. Kono indicated there were no structures on the property.

Mr. Lee asked Randy Schell where he lived and if the literature he had given the Commissioners had been printed by Glad Tidings and Mr. Schell indicated he lived on Haight Street and that the literature belongs to SOS who meets at Glad Tidings. Mr. Lee inquired of Bishop Itkin and Paul Hardman where they resided and they replied Hayes Valley and San Francisco respectively.

NEW BUSINESS (continued)

Mr. Lee asked Reverend Johnson to describe the Church's Day Care Center and how many children attend and where parents park to deliver their children to the center and Reverend Johnson indicated eighty children from the ages of 2 years to the third grade attend Monday through Friday; and that they drive on to the subject property to drop off the children. Mr. Lee asked how many parking spaces were provided and Reverend Johnson indicated 11 spaces as some of the area is used as a playground.

Ms. Blomquist inquired that if this site was used for residential use how many units could be built and Mr. Kono indicated between 8 and 16 depending on the size of the units.

Mr. Arnelle indicated he was troubled by the allegations by CUAV and asked Reverend Johnson that assuming they were true what his position would be and Reverend Johnson indicated he would meet with the Steering Committee for SOS and withdraw their use of church facilities if those allegations were true.

Mr. Arnelle inquired of Mr. Schell how much of the literature he was sure came from Glad Tidings and Mr. Schell indicated the literature came from SOS who uses Glad Tiding's facilities. Mr. Arnelle inquired if Mr. Schell was saying it was SOS and not the church that was responsible for the literature and Mr. Schell indicated that he could not say Glad Tidings is responsible, but Glad Tidings is listed on the SOS Crusade literature.

Mr. Arnelle inquired if Mr. Schell was opposed to the LDA and Mr. Schell indicated affirmatively since, if the Agency sells the land to Glad Tidings, the land could then be used by SOS.

Mr. Arnelle indicated that there appears to be a large measure of innuendo associated with the allegations, and that CUAV's allegations are not directed toward Glad Tidings but toward SOS.

Mr. Newman stated that this disclosure by both parties is of great interest, however the Commission is sitting here to decide on an Owner-Participation Agreement only and not to sit in judgment of religious precepts of this or any other church. The freedom of religion is guaranteed by the Constitution and under the law and he suggested getting to the issue, which is the Owner-Participation Agreement and moved staff's recommendation.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-82 BE ADOPTED.

Mr. Lee indicated that he would move 9(b) as the Church representative testimony is credible and the Church needs more parking for the Day Care Center and Glad Tidings is not SOS.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-82 BE ADOPTED.

NEW BUSINESS (continued)

Mr. Hamilton indicated that Ms. Rogers had a good suggestion in putting this over for one week until the problems were worked out, but the disposition price expires on May 21. Also, this parcel was left over from the Webster Street widening and is a difficult one to develop for housing. Conveyance to this institution that has been in the community for 60 years meets the Agency's goals. There has been no direct allegation made against Glad Tidings and it would be ill advised to deny this LDA on basis of alleged association and approval is recommended.

Mr. Arnelle indicated that he was persuaded by Reverend Johnson's commitment as to what action Glad Tidings would take with SOS if the allegations were true and would vote for this recommendation.

President Berk announced that the meeting would be recessed briefly. The meeting recessed at 5:55 p.m. and reconvened at 6:00 p.m. with the same roll call.

At this time President Berk requested Mr. Redmond F. Kernan, Deputy Executive Director, proceed with introducing the next item in Mr. Hamilton's temporary absence.

Ms. Mary Rogers, WAPAC, inquired why the disposal price for Glad Tidings was being maintained and Mr. Kernan indicated that by entering into an LDA, the Agency can extend the appraisal price for eighteen months. Ms. Rogers then asked why that could not have been done for the Victorian Square purchasers and Mr. Kernan indicated that the Agency held the price for the period of time legally required, but that the purchasers could not come up with their equity and their time had expired to hold their price.

- (c) Resolution No. 143-82, requests authorization to extend Exclusive Negotiations for 45 days until July 2, 1982, with Fillmore Complex Associates for the rehabilitation of 31 residential units and ground floor commercial at 1101 Fillmore Street in the Western Addition A-2

Mr. Kernan reported on item (c) as follows. Exclusive Negotiations were approved in July 1981 with an extension granted in October 1981 to provide additional time to confirm expected costs associated with rehabilitation; in December 1981 the Agency approved the tax-exempt bond inducement resolution and on January 26, 1982, an extension was granted to provide evidence of financing. One difficulty encountered by the Developer in assembling equity capital relates to the financial structure worked out to accomplish a major condition of Exclusive Negotiations that 40% of the ownership interest be certificate holders in the Western Addition. The developer's legal counsel has advised against marketing shares of the partnership until long-term financing terms can be disclosed and complete terms of an LDA are set. Evidence of equity capital and mortgage financing would normally be required as the last items within an LDA's Schedule of Performance. Staff is now recommending that the LDA be completed and brought forward for consideration during this

NEW BUSINESS (continued)

45 day extension. By proceeding now with the LDA, the developer will be allowed the opportunity to prepare final construction documents, obtain firm bids, and firm up long-term financing so that partners can be attracted to the development on the basis of the actual financial benefits to be derived by their investment. The Developer has been conscientious in moving the project forward in attempting to provide evidence of equity capital, while at the same time forming a partnership agreement.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-82 BE ADOPTED.

- (d) Resolution No. 144-82, requests authorization to advertise for demolition and site clearance of Parcel 743-D, located at the northwest corner of Van Ness and Turk and Parcel 683-D(2), located at the southeast corner of Sutter and Steiner, both in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. Due to the preparation for commercial development of these parcels it is now necessary for the Agency to begin clearance and relocation activities to meet scheduled conveyance dates. The parcel at Van Ness and Turk is the Vanguard-Donsdale site, anticipated to start construction November 1, 1982. The service station and underground storage tank will be removed with the operation of the service station relocated. The parcel located at Sutter and Steiner is the R. Carrie Insurance Agency site, and conveyance is scheduled for September with the building to be rehabilitated for commercial use. The building to be demolished is located at the rear of the building to be rehabilitated. Three of the occupants are eligible for relocation services and include the developer's business, the San Francisco branch of the NAACP and an upholstery company.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-82 BE ADOPTED.

At this time Mr. Hamilton returned to the meeting.

- (e) Resolution No. 145-82, requests authorization to extend Exclusive Negotiations to August 31, 1982 with the Parking Authority for development of a public parking garage on Parcel 3735-D located on the northeast corner of Third and Clementina in Yerba Buena Center.

Mr. Hamilton reported on item (e) as follows. Exclusive Negotiations granted on October 6, 1981 were extended on March 9 to today. The conclusion of negotiations were timed to coincide with completion of the design phase of the garage, at which time the determination could be made as to whether the garage could be built to accommodate housing in the air space above the garage. Completion of the garage design has been delayed until May 25, 1982 and the prospective air rights housing developer, Forest City Dillon, has until June 29, 1982 to determine the feasibility of

NEW BUSINESS (continued)

housing. This extension for the Parking Authority is to allow enough time beyond the housing developer's decision to finalize the LDA with the Parking Authority.

Mr. Mardikian asked Ms. Margaret Brady of the Parking Authority why the garage design was delayed and what steps the Parking Authority might be taking to prevent further delay. Ms. Brady indicated that the delay was primarily due to the design of the housing, but that most of the drawings had been sent to the housing developer and the rest would be sent by May 25. The Parking Authority hopes to go out to bid in five or six weeks and the LDA and price is now being worked out between the Agency and the Parking Authority.

Mr. Newman asked Ms. Brady if the Parking Authority expected to go out to bid before the housing developer makes a decision to build the housing over the garage. Ms. Brady responded that, as she understands, the arrangement is that if in the opinion of the housing developer they cannot afford to build they have the option at that time to withdraw. However, two sets of plans have been produced, one for a parking structure only and a second set, which are plans for a parking structure and housing the Parking Authority is ready to put both items out to bid.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 146-82, requests ratification and authorization of the Executive Director in filing with HUD, the Sixth Amendatory to the application for Loan and Grant Contract for Yerba Buena Center. Mr. Hamilton reported on this item as follows. In October 1981 the Agency and the Board of Supervisors approved an amendment to the YBC Plan to include GSA's property at 49 Fourth Street in the project boundary. The required Amendatory to the HUD application for Loan and Grant was then transmitted in March 1982 which reflected that change. Approval of the change affects the issues discussed with HUD in Washington, which will allow the Agency to carry out the actions necessary to acquire the GSA property. When staff followed up on the status of HUD's processing of the Sixth Amendatory Loan and Grant, it was discovered all processing was suspended until they received an Agency resolution authorizing the Executive Director's action in filing the Sixth Amendatory Loan and Grant application. Therefore, in order to obtain HUD approval, as quickly as possible, of the amended Loan and Grant application reflecting the Plan Amendment, it is recommended that the Commission ratify the Executive Director's action and authorize the filing of the Sixth Amendment to the YBC Loan and Grant Contract application.

Ms. Blomquist inquired if the Agency was just now submitting this application to HUD and Mr. Hamilton indicated no that this item was already submitted to HUD.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-82 BE ADOPTED.

- (b) Resolution No. 147-82, requests authorization to make a loan of \$12,500 to Mei Lun Yuen, Inc. a development located in the Stockton-Sacramento Redevelopment Project Area.

Mr. Hamilton reported on this item as follows. Mei Lun Yuen has encountered many problems in constructing the 185 units for low to moderate income households that have delayed completion which has consequently increased the cost of construction and interest costs. Funds are not available for these increased costs, and the lender, Merrill Lynch Huntoon Paige has indicated its intent to foreclose on the loan. To prevent this, HUD Area Office has negotiated an agreement between the builder, Emkay Development Co.; the lender, Huntoon Paige; and the sponsor, Mei Lun Yuen, to permit final endorsement by the end of May. These negotiations have narrowed the gap between the costs and the mortgage amount to \$304,500, with each entity providing certain contributions to make up that amount. HUD has also requested that the Agency provide funds towards two items requiring cash at the time of closing. These items are Impounds for property taxes and Impounds for insurance. Staff, after reviewing the Stockton-Sacramento project budget and the status of our outstanding site improvement contract, has determined that an unencumbered balance of at least \$12,500 will be available for this purpose. Emkay, the builder, as requested that the \$200,000 he is deferring payment of for two years as part of the \$304,500 gap, wants back-up assurance that it will be paid. HUD has asked the Agency to work with OCD in exploring ways it might provide that back-up assurance and staff will do so. Should such an action be necessary, staff will calendar it as early as possible for your approval. Also because of the urgency of closing before the end of May, the Agency must issue Certificate of Completion before all details of construction and initial rent-up are final. Staff is satisfied that final completion will be in full compliance with the terms of the LDA. Mei Lun Yuen is a significant part of San Francisco's supply of housing for low to moderate income households and staff believes that every effort should be made to preserve this housing for those for whom it is intended.

Mr. Redmond Kernan, Deputy Executive Director, reported to the Commissioners that HUD has by phone today indicated they are optimistic that the guarantee of the \$200,000 won't be necessary as they are able to identify certain emergency funds within their control and a resource that would allow them to pledge sufficient guarantee for the contractor so there would be no need to call on the Agency or OCD for use of CD funds.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-82 BE ADOPTED.

- (c) Resolution No. 148-82, authorizing an extension of Exclusive

MATTERS NOT APPEARING ON AGENDA (continued)

Negotiations with Yerba Buena Foundation, a non-profit corporation, for Parcel 728-A, E and J, located at the southeast corner of O'Farrell and Scott Streets, Western Addition A-2.

Dr. Amancio Ergina requested to speak on Yerba Buena Foundation and indicated that their exclusive negotiations expired and asked Attorney Kendall Hobbs to give a status report to the Commission.

Mr. Hobbs gave a brief history of the financing Dr. Ergina has sought to develop this property and that they now have some very good possibilities to finance this development and requested that the Commission give an extension of exclusive negotiations in order to obtain a loan commitment.

Mr. Hamilton indicated that this development was difficult as it was mixed, subsidized and market rate, and that SB-99, according to our bond counsel, is not useable in this case. Mr. Hamilton also indicated he had no problem if the Commission wished to grant a 90-day extension for a last effort to determine whether or not the kind of financing structure Mr. Hobbs has identified here can be put together, although Mr. Hamilton was unfamiliar with that financing package.

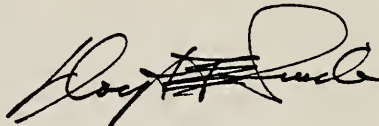
Ms. Blomquist indicated she believed this development was going to be all market rate and Mr. Hobbs indicated that they had a commitment with CHDC for \$1,600,000 purchase price and an agreement on their part to subsidize those units with that commitment for the life of the loan.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

June 1, 1982

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25/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF MAY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of May, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were David Gold, Paul Lomson, Terry Francois, Metropolitan Parking Corporation; Gordon Reese, Sherman and Earline Hill, Oletha and George Mabrey, Eric A. Webb, Askia Sonyika, Robert Primus, Simon C. Brown, Leroy and Lila Wise, Adrian and Olga Nolfi, Caesar Cornelius Young, III, and Tyson Joseph and Cassandra Duhon, Site S-4 developers, Mary Rogers, Ben Stewart, Western Addition Project Area Committee (WAPAC); Bernard Hagen, Hagen Family Trust; and Robert Evans, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of April 13, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session meeting of April 20, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners

REPORT OF THE EXECUTIVE DIRECTOR (continued)

on the following matters:

- (a) Dedication ceremonies are being held by L & L Enterprises and residents of Univista Apartments for the Charles Turner Memorial Park on Thursday, May 27, 1982, at 1:30 at 1340 Turk Street.
- (b) The San Francisco Ballet Association will be holding their Ceremonial Groundbreaking tomorrow, May 26 at 11 a.m. on site at Fulton and Franklin Streets.
- (c) Bids were received last week to refinance project loans on Yerba Buena Center in the amount of \$14,030,000 at an annual rate of 7.297% versus the previous rate of 8.50%.

NEW BUSINESS

- (a) Resolution No. 149-82, requests authorization of a document entitled, "Subjection of Reversionary Interest to Condominium Declaration and Plan," Parcel R-III(a) in the block bounded by Davis, Broadway, The Embarcadero and Pacific, for the development now under construction, Embarcadero-Lower Market- Golden Gateway, known as Golden Gateway Commons II.

Mr. Kernan reported on item (a) as follows. The LDA and Conveyance Deed provide for a reversion of title to the Agency should the developer default prior to issuance of the Certificate of Completion. Recognizing that a financial burden would be placed on the development if sale of a completed condominium unit is delayed until all the units are completed, the Agency has agreed to issue a Certificate of Completion on individual units upon completion, which eliminates the Agency's reversionary rights on each unit, but not the remaining units. Accordingly, California's Department of Real Estate requires assurance by the Agency that in the event of any reversion of title to the Agency by reason of default such reversionary title will be subject to the condominium declaration and plan for Golden Gateway Commons II. The Department of Real Estate will not issue its Final Public Report on this development until this requirement is satisfied and the developer is precluded from selling any units without that report. In order to satisfy the Department of Real Estate's requirement, it is necessary to execute this document entitled, "Subjection of Reversionary Interest to Condominium Declaration and Plan."

Mr. Lee inquired if the CC and R's had been reviewed and Mr. Leo Borregard, Agency General Counsel, indicated affirmatively.

Mr. Arnelle inquired what is meant by "substantially in the form attached" as mentioned in the last paragraph of the memorandum and Mr. Borregard indicated that particular language is used to give staff more flexibility, but that there are no changes in the Agreement from the one before the Commission today.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-82 BE ADOPTED.

- (b) Resolution No. 150-82, requests authorization of an Amendment to the LDA with Safeway Stores, Inc., for Parcels 725-A(1), B, D, E, and 708-A(1), located on the blocks bounded by Fillmore, Ellis, Webster and Geary Streets in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. The LDA with Safeway Stores, Inc. was approved on August 25, 1981. This Amendment to that LDA with Safeway would make four housekeeping changes and two substantive changes as follows:

Housekeeping Changes:

1. To insert final real property descriptions replacing the preliminary ones. These descriptions have been prepared on the basis of recent surveys.
2. To correct declarations as to area of property and price to conform with the surveys mentioned in item 1.
3. To correct minor typographic errors.
4. To delete reference to a specific landscape architect and provide for the work by an Agency selected architect with Safeway's approval.

Substantive Changes:

The LDA Amendment provides for:

1. The Agency to agree to a \$40,000 increase over the upper limit of \$120,000 for architectural costs previously agreed to for design of the office building resulting in an upper limit total of \$160,000. This office building now 71,000 square feet will cost nearly \$5,500,000 and an architectural cost of under 3%, is reasonable.
2. The Agency to deposit \$1,200,000 which represents the Agency's acceptance of Safeway's offer to sell the building at cost before construction begins. The Agency will arrange financing while the construction is in progress and close the sale 10 days after the building is completed. Should the Agency fail to complete the purchase, Safeway can use the deposit to recover actual losses. Presently Safeway has the right to require financing to be in place before start of construction.

Staff has agreed to recommend these changes in exchange for delaying for approximately one year the necessity for the buyer of the commercial office building - either the Agency or its designee - to provide a loan commitment.

NEW BUSINESS (continued)

Staff believes this change results in considerable cost and convenience savings to the Agency or its designee.

Ms. Mary Rogers, WAPAC, inquired that when the \$1.2 Million, the \$160,000 and the \$1.3 Million were returned how they would be used and Mr. Douglas Myers, Business Development Specialist, responded that the \$1.2 Million was allocated in this year's budget with the understanding that it would be returned to OCD funds; the \$1.3 Million was UDAG funds used to purchase the Mayfair site and when returned the City has allocated that to the Tenderloin. Both of these funds were borrowed by the Agency and must be paid back. The \$160,000 architectural fees will be paid by the purchaser of the office building.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-82 BE ADOPTED.

- (c) (d) (e) Resolution Nos. 151-82, 152-82 and 153-82, requests authorization of Exclusive Negotiations with three separate developers for purchase and rehabilitation of three parcels in the Western Addition A-2: Sumiko Jones for 1695-97 Sutter Street, Parcel 687-C; Robert Evans for 1905-07 O'Farrell Street, Parcel 728-N; and Alonzo Reece for 1107-11 Divisadero Street, Parcel 1129-Q.

Mr. Kernan reported on items (c), (d) and (e) as follows. In January, 1979, a policy was established for negotiating resales to former owners of properties in A-2. Subsequently in February, 1979, the commission indicated that on a case-by-case basis other negotiated sales could be brought forward and several such sales have been approved. The three following developers are being brought forward in response to this latter directive. Item 9(c) would authorize Exclusive Negotiations with Mrs. Sumiko Jones who has expressed an interest in repurchasing 1695-97 Sutter Street. This property was formerly owned and occupied by Mrs. Jones and her husband who is now deceased. The Agency purchased this property in 1969 as the Jones' were unable to complete rehabilitation. Now Mrs. Jones, a residential certificate holder, and her son are prepared to repurchase and rehabilitate this two-story Victorian. Item 9(d) would authorize Exclusive Negotiations with Mr. Robert Evans for 1905-07 O'Farrell Street. Mr. Evans has resided in one of the units since 1973 and his family members have had a long history of ownership and occupancy at this building. This two-story Victorian contains two flats. Mr. Evans is a residential certificate holder who plans to live there. Item 9(e) would authorize Exclusive Negotiations with Mr. Alonzo Reece for 1109-11 Divisadero Street which is a three-flat, wood-framed building. Mr. Reece has resided at this address for over 37 years and is a residential certificate holder.

Staff will be working closely with each developer to help meet the goals contained in each resolution with the following performance dates: Submission of Affirmative Action Program within 45 days;

NEW BUSINESS (continued)

Submission of evidence of equity capital within 60 days; and Submission of Architectural Schematic Plans within 75 days. WAPAC has reviewed and approved each developer's proposal.

Ms. Mary Rogers, WAPAC, indicated she was pleased to see that the Agency was negotiating with residents of the Western Addition for buildings to be rehabilitated and that WAPAC will be monitoring to assure adherence to the Affirmative Action Program. Ms. Blomquist inquired why the Agency acquired 1905-07 O'Farrell and 1107-11 Divisadero and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated because they had originally been identified in the A-2 Plan for acquisition and clearance.

Ms. Blomquist inquired about using the A-2 Rehabilitation Standards as some of their requirements such as wall to wall carpeting and garbage disposals made rehabilitation more expensive and were not necessarily essential and Mr. Hunter Johnson, Chief of Rehabilitation, indicated that those particular items are not required by the Standards and that staff was reviewing the Standards to determine what changes could be made regarding the requirements. Ms. Blomquist asked how the A-2 Rehabilitation Standards differed from the City's and Mr. Johnson replied that the Agency's requirements provided for rehabilitation work to put the building in a like new condition to fit in with new development around it and for the building to have a life expectancy of 30 to 40 years; the City's requirements are to bring the building up to code regarding items that are of immediate life and safety hazards.

Ms. Blomquist inquired if the Agency was still requiring no exposed conduits because those are very expensive items and Mr. Johnson responded that exposed conduits are still not allowed except in some instances such as, if it is the only way to get an appropriate number of outlets in a room.

Mr. Lee indicated he did not see any reason why the Agency shouldn't allow exposed conduits and sprinkler systems as there is a substantial difference in costs when the conduits and piping are concealed vs. exposed. Mr. Johnson indicated that in several instances it has been considered as an alternative and that will be an item carefully looked at in staff's review of the Rehabilitation Standards for A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-82 BE ADOPTED.

At this time President Berk turned the chair over to Mr. Lee and left the meeting at 4:40 p.m.

NEW BUSINESS (continued)

- (f) Resolution No. 154-82, requests approval of a First Amendment to the Legal Services Agreement with Orrick, Herrington and Sutcliffe providing legal services as bond counsel for the Agency's Marks-Foran Loan Program. They have assisted the Agency and Western Addition developers in determining eligibility for Marks-Foran tax-exempt financing and prepared the necessary documents in connection with bond issues privately placed with First Interstate Bank and California First Bank. They are currently assisting staff in attempting to obtain additional funds for the program. Funds are required to cover outstanding billings and anticipated services. This firm has provided excellent service and staff believes it is in the Agency's best interests to continue their services. Their Affirmative Action program has been reviewed and approved by staff.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, THAT RESOLUTION NO. 154-82 BE ADOPTED.

Ms. Blomquist inquired what the hourly rates were and Mr. David Oster, Assistant Agency Counsel, indicated that Partners received \$180 per hour; Associates, \$115 and Paralegals \$35. Mr. Borregard indicated that the majority of the work was done by the Associates.

Ms. Blomquist inquired how much of this new money would be applied to the old billings and Mr. Oster indicated approximately \$6,000. Ms. Blomquist inquired what the future timing was on Marks-Foran and Mr. Oster indicated that because of the Ullman Bill and Banks not loaning money there is a delay, but we do not expect that to last forever and believe it worthwhile to have an attorney on hand to handle those matters when they occur.

Ms. Blomquist inquired why staff was not using the Agency's other Bond Counsel, Jones Hall Hill and White, and Mr. Oster indicated the Marks-Foran work was not the same as the work on SB-99 that Jones Hall Hill and White took care of. Ms. Blomquist indicated that the Agency is spending a lot of money on outside legal help when there is no money for Marks-Foran and the money may just sit there. Mr. Borregard indicated that the Legal Division was very conscious of being cost effective and there are very few Bond Counsel attorneys available and if the market breaks it is good to have a capable one on hand.

At this time President Berk returned to the meeting and resumed the chair, 4:45 p.m.

Mr. Arnelle indicated that in regard to Ms. Blomquist's inquiry about having Jones Hall Hill and White do both SB-99 and Marks-Foran, it is a cost savings to retain the old counsel since it costs money to bring a new counsel up to speed. Mr. Arnelle inquired about their Affirmative Action Program and Mr. Earl P. Mills, Deputy Executive Director, Community Services, gave the firm's current employee breakdown and indicated the firm had not updated their program since 1980 and had been advised to do so. Mr.

NEW BUSINESS (continued)

Arnelle asked if Mr. Mills was satisfied with their program and Mr. Mills indicated affirmatively if they follow staff's suggestions.

Ms. Mary Rogers, WAPAC, inquired how many minorities the firm has hired in the past year and Mr. Mills indicated the original contract had been awarded in 1978, and at that time no Affirmative Action Statement was required from them and since there has been no adjustment to their contract since that time, no affirmative action information was on file but that staff will be requesting an update on this matter.

AT THIS TIME, PRESIDENT BERK NOTED THAT THE MOTION HAD BEEN MOVED BY MR. NEWMAN AND SECONDED BY MR. KING AND CALLED FOR THE VOTE AND IT WAS UNANIMOUSLY CARRIED TO ADOPTED RESOLUTION NO. 154-82.

- (g) Resolution No. 155-82, requests authorization of a Third Amendatory to the LDA with Vanguard/Donsdale Associates to permit the developer to "Fast Track" the design review and building permit process for the parcel located on the northwest corner of Turk and Van Ness Avenue in the Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (g) would be continued for one week at the developer's request. There being no objection, it was so ordered.

- (h) Resolution No. 156-82, requests authorization for the issuance, sale and delivery of Construction Loan Notes in the amount of \$4,845,500 at 11½% and Mortgage Revenue Bonds in the amount of \$5,155,000 at 12% to provide construction and permanent financing for the 73 unit Section 8, Serenity Towers Project at 308 Eddy Street, being developed by the Hagen Family Trust.

Mr. Kernan reported on item (h) as follows. Agency Bond Counsel, Jones Hall Hill and White has prepared the subject Resolution and supporting documentation for the issue. The construction and permanent loan are serviced by First Interstate Mortgage Company as mortgagee, and the notes and bonds are serviced by Security Pacific National Bank, as Trustee. The Resolution will approve the following specific documents: The Trust Indenture, Investment Agreement, Agreement for Financing Residence under SB-99, Mortgage Servicing Agreement, Official Statements, and Bond and Note Purchase Agreement. As is standard in Agency SB-99 financings, both the Construction Loan Notes and Mortgage Revenue Bonds are special obligations of the Agency payable solely out of revenues from the project and bond issue. Neither the Agency, Commissioners nor employees have any personal liability in regard to these obligations.

Ms. Blomquist inquired who the Hagen Family Trust is and Mr. Bernard Hagen indicated the Trust was for the benefit of the children. It is a tax situation where the primary benefits from the

NEW BUSINESS (continued)

property will pass directly to them.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-82 BE ADOPTED.

- (i) Resolution No. 157-82, requests authorization for a First Amendatory with the developer of Lot 12 for a single-family house in Hunters Point; and (j) Resolution Nos. 158-82 through and including 169-82, requests authorization for Second Amendatories for twelve developers for Lots 1-4, 7-11, 13, 15, and 16 for development of single family houses in Hunters Point.

Mr. Kernan reported on items (i) and (j) as follows. Both Amendatories would revise the performance schedule for: submission of evidence of financing to September 27, 1982; conveyance to October 27, 1982; and completion of construction to October 26, 1983. These developers were selected from an Agency offering of single-family lots within Site S-4 as a result of an offering exclusive to Hunters Point Certificate Holders and residents of the Bayview Area. Each developer has provided the Agency with satisfactory final construction documents, but are experiencing difficulties in arranging their financing. Recognizing the current state of the economy and the fact only one of the developers has had previous experience developing single family housing, staff believes this extension is warranted and recommends approval.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-82 THROUGH AND INCLUDING RESOLUTION NO. 169-82 BE ADOPTED.

- (k) Resolution No. 170-82, requests authorization to rent to Metropolitan Parking Corporation, without public bid, property which is adjacent to the parcel they now rent at the corner of Howard and Fourth Streets in YBC across from the Moscone Convention Center.

Mr. Kernan reported on item (k) as follows. In April of this year, as a result of public bid, a rental agreement with Metropolitan was authorized. Since that time other vacant land in the block has been vacated and is now available for public parking. To that end staff advertised Parcels B and C for public bid which was to be opened on May 14. However, in a May 11 meeting with staff, Metropolitan presented a solid proposal for inclusion of Parcel B into their existing Parcel A tenancy. Metropolitan would make the necessary improvements at its expense and would pay the same rental rate they now pay for Parcel A or \$23,510 per month. Staff then cancelled the bid opening and now recommend the tenancy requested by Metropolitan be authorized as it will heighten the quality of parking services for Moscone Center and relieve traffic congestion in the area. Metropolitan has agreed to follow the same terms and conditions in

NEW BUSINESS (continued)

their current rental agreement, specifically, to continue the policy of providing parking to Convention Center users at the fixed daily maximum rate of \$3.00 per day. Staff has also agreed in order to assure some protection for Metropolitan's investment in the site improvements that, should its tenancy be terminated for purposes of new construction in less than a year, they will be reimbursed on a pro-rata basis. Staff is also considering a similar approach for the improvement of Parcel C and will keep the Commission advised.

Mr. Terry Francois, representing Metropolitan Parking Corporation, requested that the Commission vote in favor of this item and that should this parcel go to someone else it would impair Metropolitan's ability to do business on its current rental property.

Mr. Mardikian inquired if Parcel C could be brought on line at the same time as B and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated they were working with a small operator who had the lot adjacent to Parcel C, but he would not be back in town until the end of next week.

Ms. Blomquist indicated that she believed Parcel C was large enough that the Agency should try to put it out to bid, once the problems were resolved, and Mr. Mills indicated staff would see if the small operator of the lot adjacent to Parcel C would like to take the upper most portion of the site or prefer to move to another site that the Agency could offer. Following this, then the entire site could go out to bid.

Ms. Blomquist indicated she had been charged \$4.50 to park and had believed that since she was a Convention user the price should have been \$3.00 and Mr. Paul Lamson, Metropolitan indicated that Convention Users are to call ahead in order to be charged the special rate of \$3.00, otherwise it is \$4.50 and Mr. Mills indicated that was staff's understanding also.

Mr. Newman expressed concern about the ingress and egress on Third and Fourth Streets and Mr. Lamson indicated they now only have the exit on Folsom which causes some hazards and traffic backup and believed this system of two ingresses and egresses would be safer and more efficient particularly since they are one-way streets.

Mr. Lee indicated that, if staff was satisfied and since there were no protests from other bidders, it makes sense to have one operator for both parcels.

Mr. Arnelle inquired how long this process would take the parcel out of the bidding process and Mr. Borregard indicated that either the Agency or tenant could give a 30-day termination notice and Mr. Mills indicated the Agency raises rents periodically on parking lots.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND

NEW BUSINESS (continued)

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 171-82 requests authorization of a Second Amendatory Agreement to the Land Disposition Agreement with Caesar Cornelius Young, III, for Lot 14, Site S-4, located off Whitney Young Circle on Hunters Point Hill in Hunters Point.

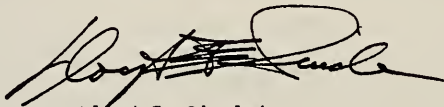
Mr. Borregard reported on this item as follows. Mr. Young is one of the same group of developers developing single-family homes in Hunters Point that the Commission gave extensions to earlier in this meeting. The one difference between them is that Mr. Young has his financing and is ready to start construction on June 1. However, his start of construction precedes approval and acceptance of the CC and R's and this Second Amendatory would allow him to start construction now, but the Agency could hold the Certificate of Completion until the CC & R's are approved and accepted.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Lloyd E. Sinclair', with a large, stylized loop at the end.

Lloyd E. Sinclair
Secretary

APPROVED

June 1, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JUNE 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 1st day of June, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following present:

Charlotte Berk, President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

DOCUMENTS DEPT.

JUN 25 1982

and the following was absent:

SAN FRANCISCO
PUBLIC LIBRARY

Melvin D. Lee, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Lafayette Jamerson, Jamerson Developers; Clifford Jeffers, Vanguard; Hank Kaufman, Harrigan and Weidenmuller; Adam Bianchi; Adam Bianchi & Sons, Inc.; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Bruce Franks, Bay Area Janitorial and Maintenance Company; and Benjamin Smith, Jr., John Smith, Bill Smith and Bruce Loughridge, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of May 18, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of May 25, 1982, as distributed by mail to the Commissioners, be approved.

At this time Mr. Kernan requested that the Report of the Executive Director be delayed until Mr. Hamilton joined the meeting and also that item 8 (a) be held until the developer arrived.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the Report of the Executive Director and item 8 (a) be held until later in the meeting at staff request. There being no objection it was so ordered.

NEW BUSINESS

- (a), (b) and (c) Resolution Nos. 172-82, 173-82 and 174-82, request authorization of Exclusive Negotiations with three developers for purchase and rehabilitation of three parcels in the Western Addition A-2 Benjamin Smith, Sr. for 1335 Pierce Street; Benjamin Smith, Jr. for 1339-41 Pierce Street and Bruce Loughridge for 1225-29 Divisadero Street.

Mr. Kernan reported on items (a), (b) and (c) as follows. In 1979 a policy was established for negotiating sales to former owners of properties in A-2 and also on a case-by-case basis other negotiated sales. The three following developers are being brought forward in response to this policy. Item 9(a) would authorize Exclusive Negotiations with Mr. Benjamin Smith, Sr. who is a residential certificate holder, requesting to repurchase 1335 Pierce Street. This property was purchased in 1975 from the Smiths who had owned and occupied the property since 1959, but at that time were unable to finance the required rehabilitation. This two-story Victorian is of such notable architectural merit that it is currently on the City Landmarks list and eligible for the National Register of Historic Places.

Item 9(b) would authorize Exclusive Negotiations with Mr. Benjamin Smith, Jr., a residential certificate holder, for 1339-41 Pierce Street. Mr. Smith has resided at this location for over seven years and his family, the Smith, Sr.'s, have owned the adjacent property for over 20 years. Mr. Smith plans to be an occupant of this two-flat Victorian.

Item 9(c) would authorize Exclusive Negotiations with Mr. Bruce Loughridge, who has expressed interest in repurchasing 1225-29 Divisadero Street. The Agency purchased this property in 1974 from Mr. Loughridge. Now Mr. Loughridge who is a residential certificate holder, is prepared to repurchase and rehabilitate this two-flat Victorian. This building also has 800 square feet of commercial space. Because it does not conform to the A-2 plan, the developer will be required to provide it for other uses.

Staff will be working closely with each developer to help meet the goals contained in each resolution with the following performance dates: Submission of an Affirmative Action Program within 45 days; Submission of Evidence of equity capital within 60 days; Submission of Architectural Schematic Plans within 75 days. Staff recommends approval of Exclusive Negotiations with these three developers.

Mr. Arnelle inquired if the developers were present and Mr. Gene Suttle, Area Director, Western Addition A-2 introduced Mr. Bruce Loughridge, Mr. Benjamin Smith, Jr., and Messrs. John and Bill Smith who were representing Mr. Benjamin Smith, Sr.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-82 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-82 BE ADOPTED.

- (d) Resolution No. 175-82, requests authorization of a Fifth Amendatory Agreement to the Disposition Agreement with Elizabeth Jamerson for 685 McAllister Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. This Amendatory would allow the developer an additional 90 days to obtain construction financing. The Fourth Amendatory authorized on April 21, increased the disposition price, as the 18 months had elapsed since execution of the original agreement, and the Third Amendatory allowed a four-week period following that approval to obtain construction and permanent financing. At that time, staff noted that given lack of improvement in the financial market the four weeks might prove to be insufficient and an extension would likely be requested. In late April, HUD advised that \$2.5 million in Section 312 funds were available for owners of five or more unit buildings. Even though the regulations do not allow for loan commitments to potential purchasers of buildings to be rehabilitated, but only to existing owners, staff has been advised that a waiver may be possible depending upon the merits of the project and number and quality of other proposals. Therefore, staff has submitted the Jamerson project to HUD for consideration. In addition, Mrs. Jamerson has enlisted the assistance of a loan broker who is investigating a number of other possible financing sources. On May 27, legal staff reported to the Court on the progress of this development, as this building is the subject of abatement proceedings, due to its many code violations. The additional extension was acceptable to the Court and reappearance calendared for early October. Staff recommends approval of this 90-day extension.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-82 BE ADOPTED.

At this time Mr. Hamilton joined the meeting, 4:25 p.m. and indicated he would now report on the NAHRO Conference held in Las Vegas.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commission on the following matter:

- (a) Last week the Pacific Southwest Regional Council of NAHRO held their conference in Las Vegas. They had an excellent program, one that dealt in significant part with mixed-use development and provided an opportunity to spend time with representatives of the Los Angeles Agency who put together the Bunker Hill transaction. Also present

REPORT OF THE EXECUTIVE DIRECTOR (continued)

was the attorney who was responsible for structuring that transaction, which was helpful. The other benefit was that ranking HUD Officials, including Steve Bollinger, Assistant Secretary for Housing and Community Development, were in attendance, which afforded an opportunity to spend time with him retailing on the Yerba Buena Center situation and generally on the Block Grant situation, all of which were of assistance and will have a direct bearing on some matters now under negotiation.

At this time, President Berk indicated that Agenda item 8(a) would be taken up.

UNFINISHED BUSINESS

- (a) Resolution No. 155-82, requests authorization of a Third Amendatory to the LDA with Vanguard/Donsdale Associates to permit the developer to "Fast Track" the design review and building permit process for the parcel located on the northwest corner of Turk and Van Ness Avenue in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The LDA was entered into on May 12, 1981 with the developer who had planned to build a 175,000 square foot office complex but this has been reduced to 85,000 square feet. Originally, GSA was going to be the primary tenant, but the lease was delayed in Washington and Vanguard submitted an alternative financing plan which included a joint venture with Donsdale Holdings and this assignment was approved in August, 1981 along with an extension of 90 days. Since then, a second extension to March 15, 1982 for conveyance to provide for a redesign has been granted since the developer had submitted drawings that would require a 40 percent parking variance that staff found unacceptable. The current appraisal price expires on November 12, 1982 but the developer feels that by fast tracking this development, conveyance can occur prior to the price expiration date. This amendatory agreement alters the LDA submission requirements to facilitate this approach which it is hoped will lead to the early commencement of development.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-82 BE ADOPTED.

- (e) Resolution No. 176-82, requests authorization of a Rental Agreement with Van Pool Commute Club for the parcel located on the southeast corner of Verona Place between Harrison and Folsom Streets off Third Street in Yerba Buena Center for the purpose of providing a van parking lot.

Mr. Hamilton reported on item (e) as follows. This non-profit organization presently occupies a parcel on the southwest corner of Fourth and Folsom at a rental rate of \$75.00 per month; however, this site is scheduled to be conveyed this month and Van Pool must vacate. The parcel they will be moving to is unimproved and will

NEW BUSINESS (continued)

need about \$4,000 worth of work, which the Van Pool Commute Club will pay for. A survey by staff regarding fees charged by parking lot operators to van pool commuters shows that most set aside a certain number of spaces rent free and some charge a minimal \$10 per month. The State of California includes in the leases of State-owned land for public parking, the requirement for free space for van pool commuters. Staff has determined there will be space for 15 vans and proposes a rental rate of \$150 per month. This parcel is scheduled for conveyance in May 1983, which affects the desirability of putting this small parcel out for a private operator. In view of the service provided the community and their willingness to make all improvements, staff recommends this rental agreement with Van Pool Commute Club at a rental rate of \$150 per month.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-82 BE ADOPTED.

- (f) Resolution No. 177-82, requests authorization of an agreement with PG&E for work under Site Improvement Contract No. 30B, Site S-4 in Hunters Point.

Mr. Hamilton reported on item (f) as follows. Site S-4 is to be developed by sixteen individual developers that are now under Land Disposition Agreements. In order to prevent delays in the Agency's construction schedule, PG&E installed their facilities prior to submitting an Agreement for approval and the work has been completed. This work provides for installation of gas and electric mains and distribution facilities to serve the housing to be constructed. A payment in the amount of \$3,890.95 is required, which will be refunded when the completed buildings are connected to the utilities. This procedure is required under the PUC regulations for new developments where no electric or gas utilities exist. Approval of this Agreement with PG&E is recommended.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-82 BE ADOPTED.

- (g) Resolution No. 178-82, requests authorization to award the Central Office Janitorial Services contract to Bay Area Janitorial and Maintenance Company in an amount not to exceed \$10,639 for a one-year period.

Mr. Hamilton reported on item (g) as follows. Nine bids were received with the firm All American Janitorial Service submitting the low bid of \$5,000. This firm, based in San Jose, requested their bid be withdrawn as they believed it too low and they would lose substantial money if they tried to carry out the contract. Staff believed it would be of little value to attempt to hold the firm to that bid, as it was obvious the figure was too low to permit performance of the scope of services in the contract. Staff, therefore, recommends the Agency consent to All American Janitorial

NEW BUSINESS (continued)

Service's withdrawal of their bid and acceptance of the second lowest bidder Bay Area Janitorial and Maintenance Company. This firm is a San Francisco based maintenance firm who was recently awarded the Janitorial Services contract for the A-2 site office by low bid. They have been in business for over two years and currently have five other contracts of comparable size. This firm is minority owned and will use minority workers.

Mr. Bruce Franks, one of the principals of Bay Area Janitorial and Maintenance Company, introduced himself and indicated he believed the Agency would find their work satisfactory.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-82 BE ADOPTED.

- (h) Resolution No. 179-82, requests authorization of an extension until August 24 for submission of a Pre-Preliminary Development Proposal with South Beach Development Company for the parcel bounded by First, Bryant, Beale and Brannan in Rincon Point - South Beach.

Mr. Hamilton reported on item (h) as follows. This eight acre property is the single largest housing site in Rincon Point - South Beach where approximately 800 housing units could be developed. A previous extension was granted to May 25 for submission of a development proposal and while progress has been made they have requested an additional 90 days to conclude negotiations with a potential general partner as well as complete pre-preliminary development designs. Staff recommends approval of this extension.

Ms. Blomquist inquired as to who South Beach Development Company is and Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated that this company is currently controlled by General Atlantic. Ms. Blomquist inquired if South Beach Development Company would be purchasing this property from United Engineering Company and Mr. Cannizzaro indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-82 BE ADOPTED.

- (i) Resolution No. 180-82, requests authorization of the industrial use and expansion needs of Gallo Salame Company for a portion of Block 3774, lots 18 and 24, known as Development Site G in the blocks bounded by Brannan, First and Federal Streets in the Rincon Point - South Beach Redevelopment area.

Mr. Hamilton reported on item (i) as follows. Development Site G contains two parcels, one owned by Gallo Salame and one owned by Paul Enterprises and Adam Bianchi and Sons, Inc. For this development site, the plan specifies a residential land use with the alternate as light industry. Also, the site may be used to meet possible industrial expansion needs of existing development on abutting property to the west. Gallo is the owner of the abutting

NEW BUSINESS (continued)

property to the west of Development Site G, and they desire to retain one 22,000 square foot structure on the westerly 81 feet of lot 24, which structure adjoins its main building and contains operations integral to its production activities. Gallo also needs 7,500 square feet of additional land for a building to accommodate about 300,000 square feet of storage and within a portion of the remainder of Development Site G, spaces for parking 120 employee cars and company trucks, which would replace the industrial parking now provided in Block 3798, Lot 20 where only residential development is permitted. The 7,500 square feet to be used in Gallo's proposed industrial expansion is now owned by Paul Enterprises and Adam Bianchi and Sons and Gallo understands that approval of its expansion is contingent on its ability to acquire that square footage. Staff believes the requested industrial uses are reasonable and this expansion will make available approximately 66,000 square feet of Development Site G for housing development. This proposal addresses Gallo's needs and intent to remain in the area and addresses the purpose and intent of the Redevelopment Plan to construct housing on the site.

Mr. Hank Kaufman, President of Harrigan and Weidenmuller and the Agent for the owners of lot 18, Paul Enterprises and Adam Bianchi and Sons, Inc. spoke in opposition to Gallo acquiring this property and also indicated they had not been properly notified of this matter. Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated all property owners in the area are notified of actions taking place that affect them. When the plan was approved, Paul Enterprises and Adam Bianchi and Sons, Inc. were notified, but they did not respond in a timely manner and were given an extended period of time to reply. Under the Redevelopment Plan, this site is to be used for residential purposes. The only industrial use allowed would be to meet the needs of Gallo because they are abutting owners to the west of Site G, and that is spelled out in the plan.

Mr. Newman indicated he was not quite clear as to why Gallo is proposing to extend to the west when they have a substantial parcel to the north of their own packing building, which is for parking, and wouldn't it be possible for them to expand in that direction? Mr. Cannizzaro indicated that the parcel they now use for parking can only be used for residential purposes according to the plan, so in order to make this site available for housing, Gallo has to move their parking to another site.

Mr. Newman inquired if the Agency is trying to take this property for expansion, when the property owner does not want to sell, and when Gallo could actually expand adjacent to their own building. Mr. Cannizzaro indicated that Gallo could do that, but believed it should be made clear that this action does not take anyone's land, all it does is define a land use in the area. The land use as set forth in the plan, specifies that the Gallo property lot 24 and the Northwest Poultry property is to be used for residential purposes,

NEW BUSINESS (continued)

which is a change in land use from what it is currently used for. The Redevelopment Plan also provides as an alternate, light industrial use, but only if it is needed by an abutting property owner to the west of Site G, who is Gallo. Gallo has proposed to the Agency to consolidate all their industrial needs on their portion of Site G that is within lot 24 and it is staff's opinion after reviewing this proposal that the residual of the site that would remain after consolidation takes place, would not be suitable for housing. The configuration of the land use as presently proposed is something Gallo and the Agency can live with, as far as land use.

Mr. Newman inquired what Gallo is going to do for parking and Mr. Cannizzaro indicated that they will use the remainder of Site G that will not be required for their building, and which will not be used for housing. Mr. Newman inquired if there would be enough parking for Gallo and Mr. Cannizzaro responded affirmatively, plus adequate parking space for the housing.

Mr. Kaufman indicated he did not believe that Site G was an appropriate site for housing as the area is an industrial area.

Mr. Leo Borregard, Agency General Counsel, indicated that this was only a part of the planning process and there is nothing else involved in this particular step that is being recommended to the Commission today.

Mr. Mardikian inquired that then the Agency is not taking any steps to acquire Lot 18 and that the motion before the Commission is simply to say to Gallo Salame that the Agency does not look unfavorably upon them entering into negotiations to see if they can purchase Lot 18 and Mr. Cannizzaro indicated affirmatively.

Mr. Mardikian inquired what would happen if the owners of Lot 18 do not wish to sell to Gallo Salame and Mr. Cannizzaro responded that staff would then return to the Commission regarding the planning of that site and that the owners of Lot 18 would still have to face the issue that they can only use the site for housing.

Mr. Newman inquired if the Redevelopment Plan designates that site as industrial use and Mr. Cannizzaro indicated that the Redevelopment Plan designates that site as residential use, but does allow as an alternative for the abutting property owner to the west, which is Gallo, to use Site G or a portion of it for industrial purposes.

Mr. Newman inquired what Mr. Kaufman wants and Mr. Cannizzaro indicated that as he understands, Mr. Kaufman has three objections: (1) that housing is one of the uses that the Plan calls for; (2) that the land use issue brought before the Commission shows Gallo's uses overflowing onto their land, and (3) that the Agency has not given him adequate notice. Mr. Cannizzaro indicated he disagreed

NEW BUSINESS (continued)

with Mr. Kaufman on all three points.

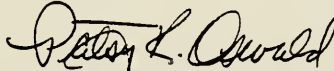
Mr. Hamilton inquired of Mr. Cannizzaro if there was any problem with holding this item to give him time to meet with the principals to discuss the issues and Mr. Cannizzaro indicated no.

RULE OF THE CHAIR: President Berk indicated that if there were no objections from the Commission that item (i) would be continued for two weeks at staff request. There being none, it was so ordered.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian that this meeting be adjourned to a Closed Session regarding litigation. The meeting adjourned at 5:07 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Acting Secretary

APPROVED

June 15, 1982

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82

MINUTES OF THE REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JUNE 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of June, 1982, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

H. Jesse Arnelle (arrived at 4:07 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Norman Smith, Golden Spear Development Company; U. J. Montgomery, Black Star; Walter Lampe, WCLS Associates; Hank Kaufman, Harrigan and Weidenmuller; Adam Bianchi, Adam Bianchi and Sons, Inc.; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); and Roy Chew, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of July 8, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 23, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 21, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of December 16, 1980, as distributed by mail to the Commissioners, be approved.

At this time 4:07 p.m., Mr. Arnelle arrived.

APPROVAL OF MINUTES (continued)

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of June 1, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of June 1, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors at yesterday's meeting approved on an 8-0 vote the Financial Close Out Agreement for the Western Addition A-2. This followed approval by the Finance Committee on Wednesday, June 9.
- (b) The Planning, Housing and Development (PH&D) Committee of the Board of Supervisors had scheduled on their calendar today a review of the Agency's purpose, cost and effectiveness under Ordinance #473-78 of the San Francisco Administrative Code. This ordinance, which applies to all Boards and Commissions of the City and County, is generally referred to as "Sunset Legislation". This item has been postponed until the next PH&D Committee meeting. In response to President Berk's question on when this would occur, Mr. Hamilton advised that the next meeting of the PH&D Committee is now scheduled for the third Tuesday in July.
- (c) The matter on the Agenda today regarding transfer of funds from the Western Addition A-2 to Yerba Buena Center has been referred to the Board of Supervisor's Finance Committee and it is not known when it will be heard, since Committee appointments have not been made yet by the new Board of Supervisors' President Quintin Kopp. Staff will be discussing this with President Kopp and may request a special meeting to be called since the Finance Committee is scheduled to limit its regular meetings to the City's budget during the next few weeks and it is important that this item be heard as soon as possible.

UNFINISHED BUSINESS

- (a) Resolution No. 180-82, requests approval of the industrial use and expansion needs of Gallo Salame Division, Consolidated Foods Corporation on Assessor's Block 3744, Lots 18 and 24 (Development Site G); Rincon Point - South Beach.

Mr. Hamilton reported on item (a) as follows. At the meeting of June 1, staff requested that this item be continued for two weeks so that they could meet with Hank Kaufman who was representing Paul Enterprises and Adam Bianchi and Sons, Inc. owners of property in Rincon Point - South Beach, who had expressed concerns about

UNFINISHED BUSINESS (continued)

Gallo Salame acquiring their property. Staff met with Mr. Kaufman and with the owners Messrs. Paul and Bianchi on June 8 to review the background of the project, and the effect of the land use decision proposed to this Commission. Conclusions reached at that meeting were that the owners were not necessarily opposed to the land use proposal, but were concerned that Gallo would be allowed to take their land and devalue their investment. Staff informed the owners that this was essentially a land use decision that was being made and that Gallo or any other interested purchaser would have to obtain the right to develop the property through the normal processes. Also, Staff advised that the Agency if for some reason in order to accomplish the purpose and intent of the Redevelopment Plan, purchased this property, the Agency would have to pay fair market value for it. Staff continues to recommend that the Commission authorize the industrial use and expansion needs of Gallo Salame Company for a portion of Block 3774, Lots 18 and 24, known as Development Site G in the blocks bounded by Brannan, First and Federal Streets in the Rincon Point - South Beach Redevelopment Project.

Mr. Hank Kaufman, President of Harrigan and Weidenmuller and the Agent for the owners of Lot 18, Paul Enterprises and Adam Bianchi and Sons, Inc. indicated that he had met with staff and understood the reasons for this action, but that the owners' position at this time is they do not approve of this action because: it is felt this action will lessen the economic value of the building now estimated at \$2 Million; the owners wish to preserve their legal rights in the case of future condemnation action by the Agency; and that it is not economically sound, nor a wise decision for the people of the City of San Francisco.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-82 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 182-82, requests authorization to grant an extension of time to September 17, 1982 for submission of a pre-preliminary development proposal for the Japan Street Warehouses Development on Site H, Block 3789, Lots 3 and 10, located at the northwest corner of Townsend and Colin P. Kelly, Jr. Streets in the Rincon Point - South Beach Redevelopment Project.

Mr. Hamilton reported on item (a) as follows. Fox Properties, the owner, has been negotiating with Canadian Environmental Land Projects, Inc. for sale of this property. Canadian Environmental Land Projects has indicated a desire to develop the property in accordance with the Redevelopment Plan. However, there are property conveyance issues that need to be worked out and this extension will permit them time to do that and to prepare a development proposal. Staff has met with the attorney for Fox Properties who has provided acceptable assurances that the ownership questions will be resolved

NEW BUSINESS (continued)

and a development proposal prepared within the requested time extension.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-82 BE ADOPTED.

- (b) Resolution No. 183-82, requests authorizing exclusive negotiations for 60 days with James J. Doherty for purchase and rehabilitation of 1329 Pierce Street in the Western Addition A-2 Redevelopment Project.

Mr. Hamilton reported on item (b) as follows: In March of this year, Mr. Doherty submitted a proposal to purchase and rehabilitate this building that he proposes to sell as condominiums. The one bedroom units of which there will be seven, would sell for \$60,000 and the one three bedroom for \$75,000. This sale would initially not be to a certificate holder since Mr. Doherty has exercised his certificates to purchase and rehabilitate two other properties in the Western Addition. However, Mr. Doherty would give first preference to certificate holders to purchase the condominiums. The sales price limits would be firmly set and a marketing program developed prior to conveyance to assure availability of the units to certificate holders. Even at today's interest rates, units in the proposed price range would provide affordable home ownership opportunities to moderate income families and individuals.

Staff reviewed the possibility of having these units as rental housing, however, given the substantial rehabilitation required, the rents necessary to carry the rehabilitation costs would be in excess of market rates for units in this area. Mr. Doherty has successfully rehabilitated other property in the Western Addition including two buildings through two Agency Public Offerings and staff believes he will be able to successfully complete this project. This proposal has been reviewed by WAPAC, who expressed concerns that the currently anticipated sales prices would increase by the time the units are available for sale, however Mr. Doherty has indicated that firm prices would be set prior to conveyance and he would absorb any unforeseen costs which arise during rehabilitation.

Ms. Blomquist indicated she was concerned that in the future, in cases like this where Mr. Doherty has already used up his certificates before exclusive negotiations on this property, that the public should be informed that the Agency is entering into exclusive negotiations not necessarily with certificate holders, so that other potential purchasers, who are non-certificate holders, will have an opportunity to buy property. Mr. Hamilton indicated that the Agency would be glad to entertain proposals of a similar nature from others, however, it is remarkable Mr. Doherty is committing himself to the rehabilitation costs involved, as well as keeping the prices where they are. The Agency's concern is ultimately to reach certificate holders with affordable units, but certainly the staff will take the necessary steps to invite others

NEW BUSINESS (continued)

to do the same. Though we cannot be optimistic that there will be others who want to make the kind of commitment that Mr. Doherty is making.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-82 BE ADOPTED.

- (c) Resolution No. 184-82, requests authorization of exclusive negotiations with the Multi-Services Center for Koreans for Parcel 689-B located at the northeast corner of Post and Gough Streets in the Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner this item would be continued to the meeting of July 6, 1982, at staff request. There being no objection it was so ordered.

Mr. Hamilton reported on items (d) and (e) as follows.

- (d) Resolution No. 185-82, the first action, concerns transfer of funds between Project Areas for acquisition of the General Services Administration property at 49 Fourth Street in Yerba Buena Center, since it is necessary for the Agency to submit funds with its Offer to Purchase. In extensively evaluating all the Agency projects' funding sources it was found that the Western Addition A-2 has funds which could be used for this purpose. The reprogramming of funds for this purpose will not exceed \$2 million.
- (e) Resolution No. 186-82, the second action, concerns reprogramming \$1.5 million within the Western Addition A-2 budget for the development of two housing developments for the elderly in the Western Addition A-2. In April the Commission authorized extensions for Jones Senior Homes and El Bethel who are having serious difficulties with financing. Both sponsors have Section 202 commitments from HUD and are well advanced toward start of construction. HUD has informed them that their estimated replacement costs substantially exceed the maximum mortgage amounts. Both sponsors have reviewed their plans and construction methods to reduce costs and have vigorously sought additional funds from major developers in need of housing credits without success. Mayor Feinstein has requested the Agency make the necessary funds available to assure development of this much needed housing. Approximately one million dollars for El Bethel Terrace is needed and approximately \$500,000 for Jones Senior Homes.

The total of both 9(d) and 9(e) is \$3.5 million and staff has identified Western Addition A-2 funds that can be used for the essential purposes of carrying out the Agency's program objectives of YBC and A-2. Approval is recommended for both these actions - the transferring of \$2 million from A-2 to YBC for acquisition of the GSA property and the reprogramming of \$1.5 million for El Bethel Terrace and Jones Senior Homes in A-2.

NEW BUSINESS (continued)

Ms. Mary Rogers, WAPAC, inquired at what point the \$2 Million being transferred from A-2 to YBC would be repaid to A-2. Mr. Hamilton responded that there is no proposal to repay the \$2 Million to A-2 and that land sales proceeds when received would be reprogrammed to where they are needed most. Ms. Rogers indicated that had not been her understanding and wanted assurance that land sales proceeds would come to A-2 and she requested that the Commission adopt a policy that revenues received from YBC Land Proceeds be used to help finance completion of A-2. Mr. Hamilton indicated that the Agency cannot look at excess land proceeds going only to the projects which generated the excess and that the Agency will decide which project needs the funds on a priority basis to complete the project and allocate the funds accordingly but that he had no objection to a policy which would address application of excess land sales proceeds to all project areas including Western Addition A-2.

The motion was then drawn up by Agency Legal Counsel and put into the form of the following Resolution No. 187-82.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-82 BE ADOPTED, WHICH STATES: "BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT IT IS THE POLICY OF THE AGENCY THAT EXCESS LAND SALES PROCEEDS FROM REDEVELOPMENT PROJECT AREAS WILL BE APPLIED TO COMPLETION OF REDEVELOPMENT ACTIVITIES IN ALL PROJECT AREAS, INCLUDING THE WESTERN ADDITION A-2 PROJECT AREA.

Mr. Walter Lampe, consultant for El Bethel Terrace, spoke in favor of item (e), and indicated if it were passed, El Bethel Terrace should be under construction within two months.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-82 BE ADOPTED.

- (f) Resolution No. 187-82, requests authorization of a resolution establishing Agency classifications and rates of pay for the period of July 1, 1982 through June 30, 1983.

Mr. Hamilton reported on item (f) as follows. The increases are based upon established comparability, either by an internal Agency salary relationship or by direct comparables with related City classifications. Changes in salary comparability relationships are proposed for five classifications: Assistant to the Executive Director, Executive Secretary I and II, Loan Processor and Electronic Data Processing Equipment Operator. Also, one title change with no adjustment in pay is recommended, and a change in the administrative provisions to allow reimbursement of up to \$130 a calendar year for replacement of security uniform items is proposed. An allowance of this nature is permitted by most city departments

NEW BUSINESS (continued)

and will assist in maintaining the professional appearance of our security personnel. With the Agency's consolidation of offices later this year some changes will be required in the Agency's classification structure. Also this consolidation of offices and functions will significantly change the level of responsibility assigned staff which may increase responsibility levels in some classifications and lessen them in others. Since the Agency's last salary and classification survey was done six years ago, staff believes it is now appropriate to conduct a survey to realign classifications and salary relationships. Staff will submit a plan for proceeding with this survey at a later date. Staff believes that 10.36% average increase is appropriate considering the high inflation rate, and indeed necessary in order to maintain competitive salaries.

Ms. Mary Rogers, WAPAC, inquired who would serve the community with no staff in that area and Mr. Hamilton indicated that the community would be served from Ellis Street instead of O'Farrell Street.

Ms. Rogers, inquired about the internal comparison of the Area Director and Project Director and the Area Director's reduced salary and Mr. Hamilton indicated that was to be the subject of a future Closed Session discussion and then to be brought back in open session for action. Ms. Rogers indicated she wanted the information on this item ahead of time and Mr. Hamilton indicated when the matter is calendared, she would be advised.

Ms. Shirley Wysinger, Local 400, indicated she had been advised by the President of Local 400, Bernice Watkins, that the Salary Resolution would be tabled for one week and Mr. Hamilton indicated that Ms. Watkins had misunderstood and that it was the closed session on the internal comparison of Area Director and Project Director that was being postponed not the Salary Resolution, that was before the Commission for action tonight.

Ms. Blomquist requested she be sent the salary survey on comparisons for the Executive Director and Deputy Executive Director that shows how those salaries are based on the prevailing rate and Mr. Hamilton indicated that would be sent to all the Commissioners.

Ms. Blomquist inquired what the rationale was behind the 17% increase for Real Estate personnel and Mr. James Nybakken, Personnel Officer, indicated that the City comparable which the Agency uses for the Real Estate classification was raised 17%.

Ms. Blomquist inquired about the 21% for the Graphic Designer and that she had not realized we had that classification and Mr. Nybakken indicated that classification is not used now, but is based on the similar class in the City. Ms. Blomquist inquired why if this position was not filled, it was not deleted and Mr. Hamilton indicated that the Agency has no immediate plans to fill this position, but it is a service contracted for from time to time and

Minutes of a Regular Meeting, June 15, 1982

NEW BUSINESS (continued)

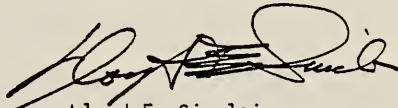
would not want to eliminate the class, since services are still required, and may be used in the future.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

June 22, 1982

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22/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JUNE 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of June, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following were absent:

Charlotte Berk, President
H. Jesse Arnelle (arrived at 4:25 p.m.)

Acting President Lee declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Nesbit Crutchfield, Mary Helen Rogers, Essie L. Collins, Western Addition Project Area Committee (WAPAC); Mike Abrahamson, San Francisco Ballet Association; Joel Zeldin, Dinkelspiel, Donovan and Reder; and Arnold Townsend and Beverly Willis, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of June 15, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The First San Francisco Urban Fair will be held this week, starting Friday, June 25 through Sunday June 27 at the Moscone Center. The Agency will have its own booth in the non-profit section (booth No. 146) and our theme will be "Housing Preservation".
- (b) Also at the Fair the Agency will be distributing the "just printed" 1982 Annual Report of the Agency, a copy of which is in the Commission folders.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) At yesterday's Board of Supervisors meeting the Board heard the item on the Core Area Transit Maintenance District, which is to approve boundaries and extent of assessment district to support public transit. One of the amendments to be considered was the exclusion of the A-2 Redevelopment Area along Van Ness Avenue. The Mayor requested action be continued to January 1983 and the Board voted to continue for three weeks.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the assignment of easement interests in portions of Parcel 792-A to the San Francisco Ballet Association by the Parking Authority, Western Addition A-2. Resolution No. 188-82, approving the assignment of easement interests in portions of Parcel 792-A, northeast corner of Gough and Grove Streets, to the San Francisco Ballet Association by the Parking Authority and ratifying the notice of public hearing, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in this matter.

Authorization is requested of an assignment of certain easement interests of the Parking Authority to the Ballet Association for a portion of Parcel 792-A, northeast corner of Gough and Grove Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The LDA with the Ballet Association was approved in December 1981 for the purpose of constructing a building related to the Ballet's activities.

Of the total 22,770 square foot site: the Agency will be conveying 10,226 square feet to the Ballet; the Ballet has successfully completed negotiations for the purchase of 8,508 square feet owned by Union Oil Company; and the remaining 4,036 square feet consists of two easements which are to be purchased by the Ballet from the Parking Authority.

One of these easements, containing 988 square feet is a surface easement with subsurface rights and will permit construction of a portion of the Ballet building within the easement area. The second is an easement for light and air with subsurface rights. The surface of this 3,048 square feet area easement will be subject to vehicular and pedestrian access to and egress from the parking garage which is to be constructed by the Parking Authority on the adjacent property.

There being no persons wishing to appear in connection with this matter, Acting President Lee closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-82 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 189-82, requests authorization of issuance, sale and delivery of a Bank Note by the Agency to fund a construction loan for the Ballet Association Project in the Western Addition A-2 and approves several necessary and related documents in connection with the construction financing.

Mr. Hamilton reported on item (b) as follows. The Agency is authorized under SB-99 to issue tax-exempt construction notes, and will borrow \$6,000,000 from the Bank of America for the construction and in turn loan that money to the Ballet. The interest rate on the Bank Loan and on the Construction Loan is a floating rate computed at the time of each advance and based on a certain formula. The Agency's obligation is specifically limited to revenues and security received in the transaction. The Agency is really acting as a vehicle for the purpose of obtaining a tax-exempt rate on the Loan and, in fact, the Ballet, not the Agency is fully obligated for repayment. This resolution will approve the following documents: The Bank Loan Agreement; the Construction Loan Agreement; The Bank Note; The Servicing Agreement; Security Agreements, Assignment of Security Agreements, Deed of Trust, Assignment of Deed of Trust and whatever additional documents are necessary to implement the transaction. Bond Counsel is present to discuss this transaction and to answer any questions.

Ms. Mary Rogers, WAPAC, indicated that it was her understanding that space would be made available for the Community in the Ballet building and now there is none and asked how the community could get the Ballet to make a commitment in this regard. Mr. Mike Abrahamson, San Francisco Ballet, indicated he had been with the Ballet since December 1980 and that there had been no change in their planning process, and the first floor has three areas that will be made available to the Community when the Ballet was not using the space. Mr. Hamilton inquired if Ms. Rogers understood that space would be set aside exclusively for the community and Ms. Rogers responded no, not exclusively. Ms. Rogers suggested a meeting with the Ballet and Mr. Hamilton indicated that would be helpful. Ms. Blomquist inquired if the Agency would be reimbursed for administrative expenses in connection with the SB-99 Bond financing and Mr. David Oster, Assistant Agency Counsel indicated that in this case it is in the A-2 project area there was no provision made, as had been done for those being administered by the Agency which are outside of redevelopment projects. Ms. Blomquist indicated that in view of budget cuts, she would like to have Administrative costs considered for SB-99 Projects within projects in the future. Mr. Newman inquired what the terms of the Bank loan would be and Mr. Oster indicated three years since it is a Construction Loan.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-82 BE ADOPTED.

- (c) Resolution No. 190-82, requests authorization of a Second Amendment to the LDA with KP00 and Associates for the property at 1325-29

NEW BUSINESS (continued)

Divisadero Street. This amendment will extend the performance dates for submission of evidence of equity capital to August 2, 1982 and conveyance to September 27, 1982.

Mr. Hamilton reported on item (c) as follows. The LDA was authorized in August 1981 for the rehabilitation of this four-story wood framed building containing 16 studio apartments with ground floor commercial space. The commercial space will be a permanent facility for KP00 Radio, a public service non-profit educational station. In March of this year you approved the First Amendatory Agreement that extended the deadline for submitting evidence of mortgage financing to May 1982. Although the developers have not been successful in obtaining financing due to the unfavorable economic climate, the outlook has improved significantly as a Section 312 loan allocation has been received for this project. This loan allocation represents 50% of the funds needed for the project, but final approval of the application must be supported by firm commitments for the remaining funds needed. However, the availability of 312 funds at a 5% interest rate, increases the likelihood of obtaining conventional financing for the remainder. Therefore, staff recommends an extension to August 2, 1982 to allow the developers time to obtain commitments for the remaining funds. This date also precedes the Agency's next court appearance concerning the condemnation proceedings against the building, which will permit time for staff's legal counsel to assure the court of significant progress being made toward rehabilitation of the building.

Mr. Arnelle arrived at this time, 4:25 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-82 BE ADOPTED.

- (d) Resolution No. 191-82, requests authorization to make payment of funds to the Department of Public Works in an amount not to exceed \$5,500 as plan checking fees for subdivision maps for the Western Addition A-2 Affordable Condominium Program.

Mr. Hamilton reported on item (d) as follows. The Agency's engineering consultant has prepared the preliminary subdivision maps each of which must be reviewed for conformance with the City's subdivision ordinance and the State Subdivision Map Act. City approval must be obtained before the Agency can record the subdivision maps and convey the units as condominiums. Since the review process requires about six to eight weeks, not counting any changes that may be required, it is important to begin this process as soon as possible to allow conveyance of the units as scheduled between October and November of this year.

Ms. Blomquist inquired as to why the subdivision maps had not been submitted to the City for review earlier inasmuch as many of the units have been completed for some time. Ms. Darby Nelson, Acting

NEW BUSINESS (continued)

Chief of Rehabilitation indicated that the maps cannot actually be prepared until the units are completed which is itself a lengthy process following which they are reviewed by staff and then submitted to the City for review.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-82 BE ADOPTED.

- (e) Resolution No. 192-82, requests authorization to directly negotiate the sale of twelve parcels under 10,000 square feet in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. Originally, the memo addressed 13 parcels, now Parcel 774-B has been excluded and will be the subject of a separate discussion at a later date. There are now 48 unconveyed parcels designated for new construction in A-2; 22 of those are under negotiations or LDA's; 26 parcels, including 8 in the Fillmore Center are not now under negotiations or LDA. The eight parcels in the Fillmore Center are to be negotiated except for one large housing site that will be publicly offered. Staff has received a considerable amount of interest in the remaining 18 sites but this interest is dampened when they are informed of the time-consuming nature of the public offering process, which may take from six to eight months, with no guarantee of selection. This onerous process of public offerings is not in and of itself a valid reason to totally eliminate its use for larger significant sites since it is to the Agency's advantage to have public offerings because they allow for more flexibility in development approach and attract a variety of responses which provides the Agency a range of choices. However, in some instances it is beneficial to the Agency to directly negotiate, even on a large site such as when a property owner or developer proposes to incorporate an adjacent vacant site with existing development. This approach often expedites the sale and development of the vacant parcels while enhancing the original development. With regard to the 12 smaller parcels, staff believes it is appropriate to directly negotiate as it will expedite the sale of parcels in the Western Addition; and encourage the participation of certificate holders, minority developers and small area-based developers. Inclusionary housing was investigated and found to not be a viable requirement for small development parcels under 10,000 square feet.

Staff is eager to proceed with the disposition of the remaining sites in the Western Addition and the initiation of this process to directly negotiate for the 12 parcels is recommended.

Ms. Mary Rogers, WAPAC, inquired why Parcel 774-B was deleted from the list and Mr. Hamilton responded that Parcel 774-B was under separate consideration by the Agency in connection with a legal problem. Ms. Rogers also asked what parameters will be used in advertising the Parcels, and Mr. Hamilton stated that there will be regular mailings and posted notices and staff will follow the same procedure authorized by the Commission for the Fillmore Center, which was to

NEW BUSINESS (continued)

directly negotiate. Ms. Rogers inquired if these parcels were being reappraised and Mr. Hamilton indicated no, as there are existing appraisals in effect. Ms. Rogers stated that she wanted the dates of each appraisal for each parcel. She then inquired why, on Parcel 689-B consideration had already been given to a developer and if that parcel will be held in the reserve when the other parcels are advertised for negotiated sales. Mr. Hamilton indicated that that specific interest has been expressed by at least three separate development groups for Parcel 689-B, and it is believed there are overriding factors related to at least two of those interests and staff is in the process of considering a recommendation to the Commission concerning those specific expressions of interest. One of the expressions of interest was from the Korean Group, who has exclusive negotiation rights to a building just adjacent to this parcel, so there is good deal of logic to consider incorporating it into a single development. Also, interest has been expressed by an adjacent property owner in developing it in such a way as to complement an existing Senior Citizens building. This matter had been calendared but was removed from the agenda as discussions are going on between those parties who expressed interest and a recommendation to the Commission is contingent upon the outcome of these discussions.

Ms. Rogers indicated that this item had been taken off last week's calendar because the Korean Group had not met with WAPAC and Mr. Hamilton indicated that was not the fact and wanted the record to show that the letter from the Korean's stated the reasons for the Korean Group's request to delay this matter.

Ms. Rogers indicated she wanted every one to have a fair chance regarding these parcels and wants WAPAC to review all proposals submitted, so they can make a recommendation to the Commission on what they feel is the best use of those parcels. Mr. Hamilton indicated there was nothing inconsistent with how staff was dealing with Parcel 689-B, and now under negotiation, and the 12 parcels being considered today.

Ms. Blomquist indicated she shared Ms. Roger's concerns and believed the Agency should provide formal notice in the future that these parcels are available for negotiations and Mr. Hamilton responded that would be done. Ms. Blomquist inquired how many units can be constructed on a parcel under 10,000 square feet and Mr. Hamilton responded approximately 8 - 12 units, depending on the configuration of the site. Ms. Blomquist inquired when the large site 726-B would be publicly offered and Mr. Robert Reece, Deputy Executive Director, Western Addition A-2, indicated in September of this year.

Ms. Blomquist inquired about the proposed development by Donald Gordon of the parcel at Myrtle and Van Ness and Mr. Leo Borregard, Agency Counsel, indicated that that project did not go ahead because of lack of financing and Mr. Gordon's interest has terminated.

NEW BUSINESS (continued)

Ms. Blomquist inquired when the other parcels over 10,000 square feet would be offered and Mr. Reece indicated a group of parcels would be offered in September and another group about 90 days later. Ms. Blomquist inquired if two parcels 677-C, 1 and 2 on Sutter between Webster and Fillmore are going to sold separately, and Mr. Reece responded that there is a building on a portion of the parcel which may remain, but they would probably be sold as two parcels, and Ms. Blomquist indicated her approval of selling it as two parcels as it is a large parcel.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-82 BE ADOPTED.

- (f) Resolution No. 193-82, requests authorization of a First Amendatory Agreement to the LDA with Bridgemont Foundation for the Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center. This Amendment would extend for 12 months the date for submission of Final Construction Documents, Evidence of Financing and Conveyance of the site.

Mr. Hamilton reported on item (f) as follows. The LDA was authorized in August 1981 for the development of a private high school and since that time the preliminary construction documents have been prepared and have been reviewed and approved by staff. The downturn in the economy has made it difficult for Bridgemont to go forward and has necessitated this request for an extension. The Bridgemont Foundation fund raising campaign is proceeding and has obtained commitment of \$750,000 and is currently seeking additional contributions. The Foundation has also been advised by lenders that it would be possible to obtain financing for approximately 50% of the total cost of the project, and indications are that despite the economic climate, the Foundation has the strength and resources to proceed. However, in view of the difficulties in raising funds for non-profit developers, staff recommends an extension be granted with a condition that a review of the school's progress in six months be held. The Commission will be advised of the results of this review. At the end of the year, their rights would automatically terminate. This extension will also require a reappraisal of the property since it extends beyond the 18 months permitted by current Agency practice. The new land price will be the subject of a Second Amendatory which will be heard before the Commission as soon as the new appraisals are completed. Bridgemont is prepared to accept an increased land value. The Performance Schedule proposed in this Amendment to the LDA would change the: Submission of Evidence of Financing from December 1982 to December 1983; Commencement of Construction from February 1983 to February 1984; and Completion of Construction from August 1984 to August 1985. The school has good faith in both developing the school's design and in its fund raising program and therefore recommends approval of this extension is recommended.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-82 BE ADOPTED.

- (g) Resolution No. 194-82, requests authorization to award Demolition and Site Clearance Contract No. 22 in India Basin Industrial Park to Ferma Corporation in the amount of \$2,875.00.

Mr. Hamilton reported on item (g) as follows. This contract will provide for demolition and clearance of two structures, underground storage tanks, earth work and other related incidental work at 430 Keith Street former site of Independent Oil Company who vacated the property on March 30, 1982. Authorization was granted in January to advertise for bids and bids were opened in June with Ferma Corporation submitting the low bid of \$2,875.00. Staff noted that there is a bid discrepancy between the low bid and the other bids which ranged from \$12,000 to \$15,000, and contacted Ferma Corporation to discuss the discrepancy. Ferma confirmed that they made an error in their interpretation of the scope of work, but indicated they would accept the award and do the work. Since the error by Ferma is judgemental in nature and not a clerical one, it did not warrant a justification for a bid withdrawal request. Ferma has satisfactorily completed several demolition contracts in A-2 and staff recommends approval.

Acting President Lee inquired if a representative of Ferma Corporation was in attendance and Mr. Salvador indicated no, but that they had been contacted by letter and telephone and advised of this meeting. Mr. Leo Borregard, Agency General Counsel, indicated this firm had been informed twice of the discrepancy and both times reiterated they would do the work. Mr. Arnelle inquired who had been contacted at Ferma and Mr. Salvador indicated he had talked personally with the Vice President of Ferma.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-82 BE ADOPTED.

- (h) Resolution No. 195-82, requests authorization of the Declaration of Covenants, Conditions and Restrictions (CC and R's) establishing Agency membership in the India Basin Maintenance Association.

Mr. Hamilton reported on this item (h) as follows. The LDA for new developments in India Basin require developers to provide on-going monetary contributions to maintain certain Common Areas within the Industrial Park, which includes the landscaped mounds along Third Street where the concrete entrance sign is located. Recognizing that redevelopment of the Park is nearing completion, the India Basin Maintenance Association was incorporated on June 11, 1982 through which landowners might fulfill their Common Area Maintenance Commitment. Upon execution of the Covenants, Conditions and Restrictions, each landowner becomes a voting member of the Association subject to regular and special assignments for maintenance purposes, which may not exceed \$426 per acre for the

NEW BUSINESS (continued)

first year and may not exceed 20% thereafter. Special assessments may be imposed by special vote if the assessment is over 25%. Start of maintenance is anticipated for August 1, 1982. As long as the Agency owns land in India Basin, which is now 15.76 acres, it will be represented and the annual assessment will be \$6,714 for the first year of operation.

Ms. Blomquist requested that a copy of the Covenants, Conditions and Restrictions and a list of the Board of Directors be sent to her and Mr. Hamilton indicated that would be done. Mr. Leo Borregard, Agency General Counsel, indicated that he would like to give special recognition to the Agency staff member Mr. Bill Carney who, with some help with the legal division, put the whole program together in an exemplary manner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-82 BE ADOPTED.

- (i) Resolution No. 196-82, requests an extension of time until August 10, 1982 for submission of a pre-preliminary Development Proposal for the Parcel 3774, lot 2, located on the northwest corner of First and Federal Streets in the Rincon Point - South Beach known as the Cape Horn Warehouse Development.

Mr. Hamilton reported on item (i) as follows. The owners, Gregory & Falk, makers of lithographic plates have submitted a partial proposal for the historic preservation and adaptive reuse of the building. Mr. Gregory has indicated he is in the process of obtaining professional design and engineering assistance to prepare a more complete proposal for restoring and modifying the building as well as bringing it up to code, and anticipates this will be accomplished and a complete proposal submitted by August 10, 1982.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-82 BE ADOPTED.

- (j) Resolution No. 197-82, requests authorization of a Letter Agreement with the Department of Public Works for continuation of rehousing inspection services for the period of July 1, 1982 through June 30, 1983, in an amount not to exceed \$13,000, for all project areas.

Mr. Hamilton reported on item (j) as follows. The 1970 Uniform Relocation Assistance and Real Property Acquisition Policies Act requires displaced persons be relocated to decent, safe and sanitary housing. To achieve this, experienced environmental inspectors familiar with local housing codes providing a thorough inspection of all potential rehousing units to assure compliance with the Act's requirements.

This year the Department of Public Works has instituted a new basis for determining cost of inspections and now each inspection will be

NEW BUSINESS (continued)

billed at the rate of \$33.72 rather than requiring the set aside of one inspector's salary plus fringes and overhead. Staff projections for this fiscal year are that 385 inspections may be needed and based on the \$33.72 per inspection, approximately \$13,000 would be required.

Ms. Blomquist inquired if the City reimbursed the Agency for these services and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that funds for this purpose are now included in the Community Development Block Grant Program as a separate item and reimbursements are no longer required.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-82 BE ADOPTED.

- (k) Resolution No. 198-82, requests authorization of a Letter Agreement with the Bureau of Building Inspection with the Department of Public Works in an amount not to exceed \$67,000 for all project areas.

Mr. Hamilton reported on item (k) as follows. HUD requires that the Agency perform comprehensive property inspections for all structures proposed to be retained and rehabilitated. Inspections are performed by staff rehabilitation counselors working as a team with City Inspectors from the Bureau of Building Inspection. This combination of staffs assures both a thorough property inspection and a reliable statement of anticipated costs, as the City Inspectors have a knowledge of the City codes and Agency staff has a knowledge of construction, construction costs and rehabilitation standards. It is anticipated this Letter Agreement will provide for a full-time building inspector and one electrical and plumbing inspector on an as-needed basis from July 1, 1982 to June 30, 1983. It is advantageous to the Agency to have the services of a full-time building inspector and staff recommends approval.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-82 BE ADOPTED.

- (l) Resolution No. 199-82, requests approval of a Third Amendment to the Agreement with Dinkelspiel, Donovan and Reder for legal services in an amount not to exceed \$100,000 for all Redevelopment Project Areas.

Mr. Hamilton reported on item (l) as follows. The requested additional funding will provide for current and future billings. The Dinkelspiel law firm has been providing excellent service to the Agency since June 1980 and they have demonstrated the capacity and flexibility to respond to the Agency's need for services on very short notice on a wide variety of issues at rates fair and reasonable. Because of their prior experience with the Agency, they have acquired a good working knowledge of the Agency's program and procedures and of redevelopment law. They are currently representing the Agency in difficult pending litigation. Their

NEW BUSINESS (continued)

affirmative action program has been reviewed and found acceptable.

Ms. Rogers inquired as to the firm's Affirmative Action Program and composition of employees and Mr. Earl P. Mills, Deputy Executive Director, Community Services explained the composition of Dinkelspiel's employees and indicated that staff was satisfied. Ms. Rogers indicated she was glad to see an improvement by this firm in their hiring practices. Ms. Blomquist indicated she was opposed to this item, as it seemed like a lot of money, and requested she be provided a total account of money paid to the Dinkelspiel firm over the last three years. She also asked Mr. Borregard why Agency legal staff could not provide the same services. Mr. Borregard responded that the record on payments to the Dinkelspiel firm would be provided and that legal staff cannot handle large, complex litigation without impairing its inhouse legal capacity and it is more expeditious to use outside services. Mr. Newman indicated that Ms. Blomquist had been aware of the ramifications and costs when the decision was made on proceeding with pending litigation and the Commission must now follow through. Mr. King indicated he agreed with Mr. Newman's comments.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 199-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (m) Resolution No. 200-82, requests authorization to rescind Resolution No. 17-75 and amends the Agency Personnel Policy and Conflict of Interest Code regarding prohibited activities of present and former employees, Commissioners and consultants.

Mr. Hamilton reported on item (m) as follows. Resolution No. 17-75 is generally intended to prohibit conflict of interest and appearance of conflict of interest by present and former Commissioners and employees. It contains the basic conflict of interest which bars a person from acting for others in matters for which the individual has previously acted for the Agency; and eliminates the appearance of conflict of interest that would be created by a former employee or Commissioner personally appearing

NEW BUSINESS (continued)

before the Commission within two years after leaving the Agency in order to represent someone else. It has become apparent that the language in this Resolution is somewhat confusing and that certain provisions are unnecessarily broad. Therefore, the Legal Division has redrafted this resolution to more clearly specify the type of conduct that should be prohibited. The proposed revision to Resolution No. 17-75 is to clarify and to limit the unnecessarily broad provision of the original, rather than to proscribe additional conduct and therefore it is not necessary to limit its applicability to future conduct.

Mr. David Oster, Assistant Agency Counsel, responded to questions by Ms. Blomquist and Messrs. Newman, Mardikian and Arnelle on clarification of changes in Resolution No. 17-75 regarding the prohibited activities of present and former employees, Commissioners and Consultants and explained the Agency's policies. Mr. Leo Borregard, Agency General Counsel, indicated that Resolution No. 17-75 adopted in 1975 was not clear and the new amendments were designed to clarify the language.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-82 BE ADOPTED.

- (n) Resolution No. 201-82, requests authorization to amend the Agency's Conflict of Interest Code.

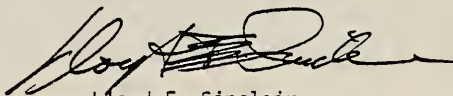
Mr. Hamilton reported on item (n) as follows. The 1974 California Political Reform Act requires public entities to adopt and enforce a Conflict of Interest Code which provides for designated employees and Commissioners to publicly disclose certain financial interests and to disqualify themselves from participation in and influence upon, matters which will have a material financial effect on such interests. The Agency's present Conflict of Interest Code was adopted on May 17, 1977. The Legal Division now advises it is necessary to amend the Agency's Code to include a requirement that designated Commissioners and employees file a "Leaving Office Statement" upon vacation of the filer's position with the Agency within thirty days. It will cover the period from the date of the filer's last Annual Statement to the date the position was vacated.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

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4
9/52

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JUNE 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of June, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Leroy King

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Howard Thompson, Fillmore Merchants; Rich Dornhelm, Winzler & Kelly; YOUNCHA Shin Chey, MSCK; Lavolia Baker, L. Baker Insurance; Don Bryant, Western Addition Project Area Committee (WAPAC); James J. Diggins, Local 400; and James Bealum, interested citizen.

SPECIAL APPEARANCES

Ms. Bernice Watkins, President of the Redevelopment Agency's Local 400 and Mr. James Diggins, Union Representative of Local 400 appeared before the Commission to inquire why Management and Labor had not met regarding the upcoming layoffs and requested a list of those to be laid off. They also requested no action regarding layoffs be taken until Management and Labor had met. Mr. Hamilton indicated that as soon as Management had shared with the Commissioners any policy questions on the program and budget decisions that they would meet with the Union. Mr. Hamilton reminded them that the Union is advisory only and that Senior Management staff has the prerogative to deploy staff as necessary to accomplish the Agency's goals, but that before the Commission is requested to take action, Management would meet and confer with the Union. Mr. Diggins indicated that Mr. Hamilton had answered his questions fairly and was satisfied. Ms. Watkins disagreed and indicated she feels the Union should know who is being laid off so the Union will know how it effects the people in the bargaining unit.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The San Francisco Urban Fair, which was held last Friday, Saturday and Sunday, was well attended and very successful. The Agency's booth attracted a lot of attention and the special award for the "Painted Ladies" victorians topped off a very special occasion.
- (b) Late yesterday evening, the Agency received a copy of the special report of the Grand Jury, which is the subject of an article in today's paper. This report relates to Minority Business Enterprise involvement in the construction of the new U. S. Postal Services facility in the India Basin Industrial Park Redevelopment Project Area. The Agency will, after review of the full transcript of the Grand Jury proceedings, which gave birth to the report, release a point-by-point response to the special report, conclusion and recommendations.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the proposed Disposition Agreement for sale of land and improvements for private rehabilitation of Parcel 689-A to the Multi-Services Center for Koreans, Western Addition A-2.

Resolution No. 202-82, approving the Disposition Agreement of Land for Parcel 689-A, 1362 Post Street, to the Multi-Services Center for Koreans, and ratifying the notice of public hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. Staff and the developer believe that the appraisal recently received on this property does not accurately reflect its use, which is that of a nonprofit community organization, and the appraiser is being requested to review the appraisal. It is requested that this Public Hearing and action on item 9(a) be continued to the meeting of July 20 in order to allow time for this review.

RULE OF THE CHAIR: President Berk indicated that if there was no objection from any Commissioners that the Public Hearing and action on this item would be continued to July 20 at Staff's request. There being no objection, it was so ordered.

- (b) Resolution No. 203-82, requests authorization of a Second Amendment to the LDA with Safeway Stores, Inc. in connection with Parcel

NEW BUSINESS (continued)

725-A(1) B, D, E and 708-A(1) located in the block bounded by Fillmore, Ellis, Webster and Geary in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. This amendment will add language to a section of the LDA for the purpose of providing the standard Agency LDA conditions for the "fast track" method of construction, which was inadvertently omitted from the LDA. In addition, this amendment will change the Agency's obligation to pay or have paid by the Agency's designated developer of the Commercial Office Building certain construction interest costs on that building. When the LDA was entered into in August of 1981, the estimated construction cost of the commercial office building was \$3,800,000. A more recent estimate puts the cost at \$5,051,000, or \$1,251,000 more. Safeway is requesting relief from the burden of the construction interest cost on the increased amount of \$1,251,000. Presently, the LDA obligates the Agency to pay half the interest expenses with an upset amount of \$150,000. The change would mean the Agency's maximum exposure would be increased by \$40,400 - from \$150,000 to \$190,400. The building cost increases which have occurred are a result of the Agency's high design requirements and an increased building size requirement. These costs are readily passed on to an ultimate purchaser by the Agency and represent, as the developer claims, an additional subsidy to the building by the developer, which was not contemplated in the LDA as originally drafted.

Since the Commission received the memorandum regarding the amendment to the LDA with Safeway, they have requested an additional amendment be added, which is entitled Clarification of Termination to the LDA. The language now in the LDA speaks to the developer's option to terminate the LDA if, after the Land has been conveyed, the Agency does not accept the commercial office building. The clarification states that upon such termination the Agency will get the land back and the Developer will be refunded the purchase price of the land. Legal review indicates that while the LDA as it stands provides for this, there is no prejudice to the Agency's interest in the accepting this clarification.

Ms. Blomquist inquired about the higher design requirements and Mr. Hamilton indicated this had been previously reviewed with the Commission. Mr. Lee inquired who the contractor would be for Safeway and Mr. Douglas Myers, Business Development Specialist, indicated the contractor had not been selected. Mr. Lee indicated that in the future, another opinion should be sought regarding the cost figures as he felt it was wise to do so and Mr. Myers indicated that cost figures were estimated at this time and that interest cost would be figured on the actual construction cost. Mr. Newman inquired how many square feet the office building would be and the cost and Mr. Myers indicated approximately 65,000 square feet and \$5,000,500.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-82 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 204-82, requests authorization to pay L. Baker General Insurance \$11,188 for Fire, Extended Coverage, Vandalism and Malicious Mischief on 22 of the buildings to be rehabilitated, which are valued at \$4,475,100 and are located in A-2 and YBC.

Mr. Hamilton reported on item (c) as follows. Proposals were solicited from seven brokers and three were received with L. Baker Insurance the lowest quotation. This insurance company is an area-based minority broker. Although the Agency has had no prior business experience with the insurance carrier, Universal Security Insurance Company, staff is satisfied, after checking with the California Department of Insurance and others that Universal Security is financially able to meet its commitments.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-82 BE ADOPTED.

- (d) Resolution No. 205-82, requests authorization of a First Amendment to the Professional Services Agreement with Environmental Science Associates, Inc. (ESA) in an amount not to exceed \$17,000 to provide for additional environmental analysis to be included within the Second Supplement of the Environmental Impact Report for Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. The Second Supplement to the Environmental Impact Report is being prepared to modify and augment the Final Environmental Impact Report which was certified in April 1978 and initially supplemented in July 1981. Both reports were prepared jointly by the Redevelopment Agency and the City Planning Commission. As staff and the consultant began to prepare this Second Supplement, it became apparent that additional analysis would be necessary to assess the effects of: (1) a possible major department store which may be located on Central Block #1, and (2), the new developments in YBC upon the existing housing and neighborhood-serving retail uses in the vicinity of the project area. Additionally, due to the extreme importance of the Draft Supplement, it became necessary for the consultant to respond to a second series of Agency staff comments on the Preliminary Draft Supplement. Staff negotiated this three-part amendment with the consultants and agreed on a cost not to exceed \$17,000 which will bring the total contract amount to \$180,900.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-82 BE ADOPTED.

- (e) Resolution No. 206-82, requests authorization to submit a development loan application to the California Department of Boating and Waterways (Cal-Boating) for the South Beach Small Boat Harbor and Park in the amount of \$8,000,000.

Mr. Hamilton reported on item (e) as follows. In April of this year the Commission selected Development Alternative III-2, which

NEW BUSINESS (continued)

provides for a 700-berth harbor and a mezzanine for further study. The site plan has been refined and the feasibility study completed for this alternative by the consultant team headed by Winzler and Kelly, Consulting Engineers in conjunction with staff. The consultant has indicated that total development cost will be approximately \$46 million, which includes construction costs, financing fees, pre-paid interest and reserves. Of this amount, \$40 million will be funded by bond or other debt proceeds and the remaining \$6 million will be funded by interest earnings on those debt proceeds. Any loans obtained from Cal-Boating will be used to reduce revenue bond debt. These loans are made available at 7.9 percent for a 45-year amortization period and term. Cal-Boating loans are provided in increments and the first increment is expected to consist of \$3 million. Subsequent increments will provide \$5 million for the total of \$8 million requested in the loan package. The Cal-Boating loan will reduce the debt service and will also permit the first loan payment to be deferred up to five years until project revenues are established. These considerations make Cal-Boating an attractive funding source. Staff considers that based on present knowledge and on financial market conditions, the overall public interest and objectives of the Redevelopment Plan will best be serviced by making this application for a loan to Cal-Boating.

Mr. Newman inquired that if in the event the breakwater costs more than anticipated and there is a deficiency in funds, can the Agency amend the loan application to obtain more money from Cal-Boating and Mr. Cannizzaro, Project Director, Rincon Point - South Beach, indicated affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-82 BE ADOPTED.

- (f) Resolution No. 207-82, requests authorization of a First Amendment to the Letter Agreement No. 912 with the Department of Public Works which will extend the time of completion for construction inspection services in the Hunters Point Redevelopment Area from June 30, 1982 to August 31, 1982.

Mr. Hamilton reported on item (f) as follows. This Letter Agreement was approved in May 1981 for \$27,500 for a one year period from July 1, 1981 to June 30, 1982 for inspection services on Site Improvement Contract No. 31 in Hunters Point. Work under this contract is anticipated to be completed by August 31, 1982, and the remaining balance of \$2,700 will be sufficient to pay for the remaining services needed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-82 BE ADOPTED.

- (g) Resolution No. 208-82, requests authorization of a First Amendatory Agreement to the LDA with Bay Vista Homes for scattered sites in

NEW BUSINESS (continued)

Phase I Parcels FF-2, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10 and Z-13, Hunters Point.

Mr. Hamilton reported on item (g) as follows. The LDA was approved in June 1981 with Bay Vista Homes who is developing fifty-five, market-rate, residential dwellings, that are being constructed in two phases - 18 units in the first phase and 37 units in the second phase. The Developer is currently completing six of the 18 units in phase one. The Developer is requesting this amendment in response to the interim financing agreement with the construction lender, under which, the developer is allowed to start construction on six additional units in phase one after escrow has closed on the first six units. The changes in the performance schedule will be to submit evidence of financing by September 6, 1982; Conveyance of the Site to November 9, 1981 and Completion of Construction by November 8, 1983. In view of the fact that interim financing is in place and the developer is participating in the Agency's SB-99 program, staff recommends this extension of time for the developer to submit evidence of financing.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-82 BE ADOPTED.

- (h) Resolution No. 209-82, requests authorization to continue an Agreement with the University of California for a work study program in an amount not to exceed \$5,000 for a one year period.

Mr. Hamilton reported on item (h) as follows. The Agency has participated for several years in this program that allows students to earn money while in school and gain work experience in the field of their major. The maximum hours worked each week are 20 with a current hourly pay range of \$5.00 to \$5.50. The Agency has been paying 40 percent of the pay with the remainder paid by the University through Federal Department of Education grants. Due to the reductions in student financial aid, the Agency's cost may increase to a total Agency match of 50 to 55%. Over the past years, the Agency has used work study interns in various fields and the experience has been a very good one. The student brings a fresh approach to a number of tasks in the Agency. During the past year, the Agency has been using Architectural Interns who have assisted the Architectural/Urban Design and Rehabilitation staffs in providing general design office support.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-82 BE ADOPTED.

- (i) Resolution No. 210-82, requests authorization to amend the contract with Coast Fence Company that will extend the time to June 1, 1983 or until the remaining funds of \$12,807.05 have been expended.

Mr. Hamilton reported on item (i) as follows. This contract, awarded to the low bidder Coast Fence Company in August 1980,

NEW BUSINESS (continued)

provided fencing services in all project areas and was for a two year period in the amount of \$64,700. Fencing services have been required for: in-house rehabilitation projects; demolition sites; and to replace fencing destroyed or damaged by accident or through vandalism. Current fencing services are now primarily needed for repairs, since the Engineering department now includes costs of fencing in its contracts and the Rehabilitation department's fencing needs have been completed. Coast Fence Company has indicated their willingness to extend the contract under the same terms and conditions but have requested they be reimbursed for any additional bond expense, estimated at \$150. It is staff recommendation that after the funds in this contract has been expended, that the Agency's fencing needs be paid on an as needed basis using either purchase requisitions or the bid process if over \$1,000.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-82 BE ADOPTED.

- (j) Resolution Nos. 211-82 and (k) 212-82, requests authorization for Helen Sause, Project Director, YBC and Wilbur W. Hamilton to travel to Washington, D.C. to attend NAHRO's National Committee Meetings being held July 11-15, 1982 and for Mrs. Sause to travel to Washington, D.C. to attend NAHRO's National Committee and Board Meetings being held August 5-8, 1982. Cost to the Agency for both conferences will not exceed \$2,800.

Mr. Hamilton reported on items (j) and (k) as follows. Mrs. Sause will be attending in her capacity as Vice President, Community Revitalization and Development Committee (CRAD) and in her capacity as a member of the National Board of Governors. Mr. Hamilton will be attending in his capacity as National Vice President of CRAD and since he will not be able to attend the August Conference, Mrs. Sause will act as his representative. Steering Committee of NAHRO will be meeting to discuss draft legislation currently before Congress that could have significant implications for the administration of the Agency's program, and Mr. Hamilton has been asked to assist in developing NAHRO's position and discussing these matters with other special interest groups in an attempt to formulate a consensus position for advocates of the Community Development program. Attendance and participation in both these conferences will be beneficial in that the continuing effectiveness of NAHRO is important in carrying out the Agency's program.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 213-82, requests authorization to extend Exclusive Negotiations with Forest City Dillon, Inc., to August 25, 1982 for the air rights Parcel 3735-D(1), over the YBC Garage, Yerba Buena Center.

Mr. Hamilton reported on this item as follows. The last extension was granted until today June 29 as it was anticipated all cost issues would be resolved. Once all costs are verified, the developer has 10 working days to make his decision to advance the funds necessary to pay the additional garage cost's attributable to housing. While the detailed figures have been provided a number of differences need to be answered and an extension is recommended in order to provide time for the housing developer and parking garage designers to resolve those differences.

Mr. Newman enquired about the status of this project of Mr. George Jones, Vice President of Forest City Dillon and Mr. Jones responded that the project was progressing very acceptably. Mr. Newman inquired if Mr. Jones felt this project was still feasible and Mr. Jones indicated affirmatively.

Mr. Mardikian indicated he would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. Lee
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (b) Mr. Hamilton requested authorization to expend up to \$2,200 to obtain the transcript of the Grand Jury proceedings regarding their investigation and inquiry into matters relating to Minority Business Enterprises involved in the construction of the new U.S. Postal Services Facility in India Basin. As this report makes observations about the Agency's monitoring and enforcement of Affirmative Action requirements by the Agency, staff feels in order to review and respond that a copy of this 3,400 page document be obtained.

Mr. Newman inquired if the document could be borrowed and

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Borregard indicated only on a piece meal basis and in order to make an intelligent response, staff needs a complete set of the documents.

Ms. Blomquist inquired why we were spending \$2,200 when the Agency has not been indicted and Mr. Hamilton indicated that it is true the Agency has not been indicted, nor is there any criminal charges, but it is strongly recommended that the transcript be obtained.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE THAT AUTHORIZATION BE GIVEN TO EXPEND \$2,200 TO OBTAIN THE TRANSCRIPT OF THE GRAND JURY PROCEEDINGS AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. Lee
Mr. Mardikian
Mr. Newman, who indicated that it was essential that when the Agency is accused it have the proper material to respond.
Ms. Berk, who indicated that it ought to be possible to obtain a free copy.

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist, who indicated this is a frivolous expenditure.

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (c) Mr. Don Bryant, Chairperson WAPAC, indicated that the Minority Business Enterprises Program in the Western Addition was not meeting its goals, and that Mr. James Bealum, a resident of the Western Addition and a Dry Wall Contractor, has been unsuccessful in obtaining a contract on the Divisadero Heights project, as it was awarded to a firm outside the area. Mr. James Bealum also spoke and reiterated Mr. Bryant's charges of unfairness in selection of the Dry Wall Contractor for this job. Mr. Hamilton indicated that he was unfamiliar with the circumstances and asked Mr. Gene Suttle, Area Director, A-2, to respond. Mr. Suttle, indicated that the Divisadero Heights Project had a very good beginning regarding their Affirmative Action Program and Minority Business Enterprises hiring practices, as a total of \$608,000 on this project had already gone to Minority Contractors, against an estimated goal of \$780,000. Mr. Arnelle inquired how far along was the project and Mr. Suttle indicated about 60%. Mr. Suttle indicated a meeting had been arranged with the contractor to see if this problem could be worked out. Mr. Arnelle indicated he shared Mr. Bealum's concerns and

MATTERS NOT APPEARING ON AGENDA (continued)

indicated he wished to be kept informed of the outcome of the meeting, and Mr. Hamilton indicated that would be done and that the Agency was always concerned about charges of this nature and wanted to resolve the matter quickly.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Blomquist, that the meeting be adjourned to a Closed Session on personnel and litigation. The meeting adjourned at 5:18 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a large, stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

July 6, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF JULY 1982

JUL 20 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:25 o'clock p.m. on the 6th day of July, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following were absent:

Melvin D. Lee, Vice President (arrived at 5:00 p.m.)
H. Jesse Arnette (arrived at 5:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Doris Kahn, Gene Coleman, Director's Advisory Group; John Elberling, South of Market Consortium; Grant DeHart, Heritage; Kay Pachtner, Consumer Action; Walter Park, Harvey Milk Gay Demo Club; Michael Valerio, TODCO; Darrell Salomon, attorney for Fisherman's Wharf Merchants Association; Toby Rosenblatt, President, Planning Commission; Dr. Yoshio Nakashima, Vice President, Planning Commission; Susan J. Bierman, Jerome H. Klein, C. Mackey Salazar, Eugene Kelleher, Wallace Wortman, Planning Commissioners; and Jame Herzog, Richard Gryziec, and Jack Morrison, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of February 10, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of June 2, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of June 22, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of June 29, 1982, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the minutes of the closed session of June 2, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Finance Committee and the Full Board heard and approved the matter of the transfer of \$2 Million dollars from the Western Addition A-2 to the Yerba Buena Center in connection with the purchase of the General Services Administration property at 49 Fourth Street in Yerba Buena Center.
- (b) Forwarded to the Commissioners today is the initial response to the concerns raised in the Grand Jury Special Report. The Agency now has in its possession the full transcript and staff will do a detailed analysis in response to every issue raised in the special report and will be prepared to discuss it at that time.
- (c) It should be noted that Safeway has officially closed and a groundbreaking will be scheduled for the end of this month.

UNFINISHED BUSINESS

- (a) Consideration of authorizing exclusive negotiations with the Multi-Services Center for Koreans for Parcel 689-B located at the northeast corner of Post and Gough Streets in the Western Addition A-2.

Mr. Hamilton requested that this item be removed from the agenda until further notice.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (a) would be removed from the agenda until further notice. There being no objection it was so ordered.

NEW BUSINESS

- (a) and (b), both items request extension of exclusive negotiations with O & Y Equity Corp./Marriott Corp./Beverly Willis to October 13, 1982; Item (a) Resolution No. 214-82, for Central Blocks 1, 2 and 3 and Item (b) Resolution No. 215-82, for Parcels 3722-A and B (East Block 2), located on the east side of Third between Mission and Howard Streets in Yerba Buena Center.

Mr. Hamilton reported on items (a) and (b) as follows. In March, 1982, an extension of three months until July 14 was granted for both Central Blocks and Parcels 3722-A and B(EB-2). Exclusive Negotiating Rights for EB-2 are subject to the condition that the

NEW BUSINESS (continued)

addition of these parcels is subject to demonstrated economic viability of the Central Blocks program. Negotiations are proceeding and the EIR Supplement No. 2 is in the public comment period and it is anticipated the Supplement will be certified at the end of August. This Supplement will provide the necessary environmental information for taking action on an LDA. Depending upon the progress of negotiations, it may become necessary to consider an additional extension that would provide time for an adequate public review of a draft LDA prior to a public hearing and consideration for action.

Mr. Richard Gryziec, architect and planner, commented on items (a) and (b) and recommended the extension and negotiating rights be cancelled for Parcel 3722-A and B; that the block be re-planned with full public knowledge and participation and competitive bids sought. Mr. Gryziec also recommended that the extension of exclusive negotiating rights for Central Blocks 1, 2 and 3 be held in abeyance and the public be informed of the developer's offers and the Agency's counteroffers.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-82 BE ADOPTED.

- (c) Resolution No. 216-82, requests authorization of various documents in connection with the Agency's Residential Mortgage Revenue Bonds and with the Opera Plaza Loan Agreement in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The Agency issued the bonds in 1980 in order to provide permanent financing for the 463 unit Opera Plaza development. The developers have recently informed the Agency that they are three to four months ahead of schedule for completion of construction and sale of the units with approximately 350 escrows ready to close. This poses a problem for the developer since liquidating invested bond proceeds earlier than scheduled will cost them between 3 to 5 million dollars. As an alternative they have requested the Agency and the other parties to the construction and bond documents to agree to certain modifications that would permit early sale of the units and yet not require the invested bond proceeds be liquidated early. The originating lending institutions would make the mortgage loans to the buyers of the units now, but instead of immediately selling the loans to the Bond Trustee, Wells Fargo Bank, the originators will assign them to an Interim Trustee. The interim loans will then be purchased by the Bond Trustee from the Interim Trustee when the bond proceeds become available as scheduled from December through May 1983. This will result in two benefits to the Agency, in addition to increasing the likelihood of a successful Opera Plaza development, 1) the Agency will receive its portion of the origination fees on the mortgage loans, approximately \$510,000 beginning in July instead of waiting

NEW BUSINESS (continued)

until December through May of 1983, and 2) the developer will have a longer period of time to sell the units, making it more likely that all loans will be made and the SB-99 funds can be used in the project before the legally mandated deadline of July 1, 1983.

Mr. Newman inquired about the status of Wells Fargo Bank and Mr. Leo Borregard, Agency General Counsel, indicated that they are the Bond Trustee for the loan. Mr. Newman inquired that since his wife is a director of a bank would there be a conflict if he voted on this item and Mr. Borregard indicated that in his opinion there is no conflict. Mr. Newman indicated, however, that he would prefer to abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 216-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. King
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (d) Resolution No. 217-82, requests authorization to write-off certain delinquent rental accounts in Western Addition A-2 and Yerba Buena Center in the amount of \$1,120.96.

Mr. Hamilton reported on item (d) as follows. Federal Regulations and Agency rental policy provide for write-off of delinquent rental accounts if they fall within certain categories: Category A, where collection would impose undue hardships; Category B, when there is no reasonable prospect of collection. Staff is currently utilizing the services of Transworld Systems, Inc. to collect delinquent rents. Rental collections for all projects continue to average in excess of 80%.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-82 BE ADOPTED.

- (e) Resolution No. 218-82, requests approval of the budget data submitted to the Mayor's Office of Community Development (OCD) requesting an allocation to the Agency from 1983 Community Development Block Grant Funds.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (e) as follows. This year two 1983 Budgets were requested to be submitted: Level I, is described as the budget for 1983 planned in relation to the projected work program which could be achieved and Level II, is described as the projected budget for 1983 limited to using 80% of the total 1982 CDBG Budget. The budget submitted under Level I totals \$12,503,842 and under Level II \$11,003,842. The work programs that are needed, and could be accomplished, far exceed any reasonable ability to fund them. Staff has therefore prepared a level I budget, which identifies three special items proposed to be undertaken in addition to Level II items, if and only if, either the CDBG allocation is increased above the 80% level and or land proceeds in 1983 exceed the amount budgeted in Level II. One is demolition of all buildings on site in EB-1 in YBC, which will facilitate disposition of the property. The second one is acquisition and site planning of the 21 acre, GSA site in Hunters Point and the third is acquisition of Hunters Point II School site of 2.6 acres, for a total of \$1,500,000. If funds do not become available, these special items will be deferred.

For the first time, the Agency is proposing budgets which depend on land sales proceeds for financing. In the past and by regulation those funds were available only to reduce Agency debts incurred under the old Urban Renewal Loan and Grant Contracts. YBC remains the only project not financially closed. There is difficulty, however, in accurately predicting when land proceeds will take place and the estimates must be prudent to reasonably insure that the funds necessary will be on hand when the bills come due. Architectural staff has estimated the value of projects under construction in 1982 to be completed in 1983 at \$213,066,000 and those starting in 1983 at \$282,386,000 for a total of \$495,452,000. Of the total 44.5% is in housing with the balance of 54.5% in industrial, commercial and office buildings. An estimated value of \$13,000,000 has been made of rehabilitation work to be started, in process or completed during 1983.

Approval is sought for submission of these budgets with the recognition that ultimately, authorized expenditures would depend on those funds which are available either through the Block Grant Allocation by action of the Board of Supervisors or Land Sales Proceeds to supplement Community Development Block Grant (CDBG) funds.

Mr. Nesbitt Crutchfield, Housing Technician Specialist, and Mr. Wade Woods, Acting Executive Director, both of the Western Addition Project Area Committee (WAPAC); requested support in increasing the budget allocation for WAPAC. They also requested that the Agency investigate the possibility of requesting funds from OCD be allocated to WAPAC to make up the difference between Community Development funding for 1982 and 1983, as the \$77,000 in the Agency's 1983 budget for WAPAC will not allow for adequate representation of the Community.

NEW BUSINESS (continued)

Mr. Hamilton indicated that he feels there is an ongoing need for community representation and participation in the Western Addition, however, CDBG regulations give OCD the authority to fund and implement community participation, even though WAPAC is part of the Agency's budget at present. However, the Agency is responsible for carrying out the program, not the funding of community organizations, and it has been recommended to the Commission that the Agency reflect that in the funding levels recommended. Mr. Crutchfield indicated they have made application to OCD for additional funds, but asked that a motion be passed recommending that OCD fund the difference between the funding for 1982 and 1983.

At this time Mr. Lee arrived, 5:00 p.m.

Mr. Mardikian indicated it is not his understanding that the budget for WAPAC represents a conclusion that the \$77,000 is the total amount WAPAC would necessarily need to have to function and Mr. Hamilton responded affirmatively and indicated that the \$77,000 is the amount the Agency feels it can budget. Mr. Mardikian indicated he was prepared to move the motion and suggested a letter be sent to OCD explaining what the Agency has done in respect to WAPAC's budget; and given the Agency's budget limitations, it is all the Agency can include in its budget, and recognizes that WAPAC has needs that extend beyond that amount.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT A LETTER BE SENT TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT RECOMMENDING THAT WAPAC BE GIVEN CONSIDERATION FOR ADDITIONAL FUNDING FROM THE CDBG FUNDS.

At this time Mr. Arnelle arrived, 5:10 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. James Bealum, a resident of the Western Addition and a Dry Wall Contractor reported to the Commission that he had met with the developer Sapunar and Duering, as was noted would happen at last week's meeting, and that there had been discussion on setting aside a house for a minority contractor. Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that Staff was continuing to meet with the developer and the dry wall contractor on this issue. Mr. Hamilton indicated that it was his understanding from Ray Doane that Mr. Bealum's prices had not been competitive, and Mr. Bealum's response was because of the timing, the bidding process was unfair. Mr. Suttle indicated that verbal bids had been given recently and the problem was still a question of price. Mr. Lee indicated he needed clarification about the bidding process and Mr. Suttle responded that this is a fast track project wherein the bids are received or negotiated as the project progresses and contracts

MATTERS NOT APPEARING ON AGENDA (continued)

awarded during the progress of the job. Mr. Hamilton emphasized that this is a private job and that the bids were being taken by the contractor and not the Agency. Mr. Hamilton indicated that in the course of accepting bids for the various specialities it would determine that now is the time for the Agency to begin to explore the dry wall issue and a due date would have been established for solicitations and that the bids would have been fairly evaluated one against the other, and it appears this was not the process and Mr. Suttle indicated he believed Mr. Bealum was here today because that process was not followed.

Ms. Blomquist indicated that there must be some kind of bid process and that it is not negotiated verbally with the contractor to arrive at a price. Mr. Suttle indicated that on this job the contractor is taking bids during the progress of the job just prior to or at the time the particular speciality is to come on the job. Ms. Blomquist requested this process be written out and submitted to her, and Mr. Suttle indicated this would be done.

Mr. Hamilton indicated staff would pursue this matter to an understanding and resolution quickly.

- (b) Resolution No. 184-82, amending Resolution No. 140-82, adopted May 11, 1982, and authorizing the Executive Director to secure a Letter of Credit from Security Pacific National Bank in connection with the purchase of 49 Fourth Street, Yerba Buena Center.

Mr. Leo Borregard, Agency General Counsel reported on this item as follows: The Commission authorized on May 11, 1982 the offer to the General Services Administration, and gave the Executive Director general powers to put that into effect including executing such security documents where necessary. In an attempt to seek a Letter of Credit from Security Pacific National Bank, the bank has requested that the Resolution be amended and amplified to include specific authority for the Executive Director to apply to the bank for the Letter of Credit and effect such pledges or encumbrances necessary. This power has already been given the Executive Director, however the bank would like that language more specific and asked that this resolution be adopted.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-82 BE ADOPTED.

President Berk announced that the meeting would be recessed briefly. The meeting recessed at 5:20 p.m. and reconvened at 5:45 p.m. with the same roll call.

- (f) A Joint Public Hearing with the City Planning Commission on the Draft Second Supplemental for the Yerba Buena Center Environmental Impact Report, Yerba Buena Center.

President Berk offered to chair the joint public hearing and President Toby Rosenblatt of the City Planning Commission concurred.

MATTERS NOT APPEARING ON AGENDA (continued)

President Berk stated that the purpose of this joint public hearing of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission is to receive public comment on the Draft Second Supplement to the Yerba Buena Center Environmental Impact Report. She also noted that written public comment had been extended to July 13, 1982.

For the preparation and certification of this Environmental Impact Report Supplement, the City Planning Commission, acting on behalf of the City and County of San Francisco, and the Redevelopment Agency of the City and County of San Francisco have entered into an agreement to be joint lead agencies - for purposes of sharing lead agency responsibilities as permitted by the California Environmental Quality Act.

The environmental impact report process is designed to permit the public and the decision-makers to understand and analyze the environmental setting of a proposed development, to examine the various potential environmental impacts, and to review and consider any suggested alternatives and mitigation measures to lessen significant environmental effects.

Since the Yerba Buena Center Final Environmental Impact Report was certified in April 1979, and supplemented in July 1981, subsequently proposed changes in the developments on Central Block 1, 2 and 3, Eastern Block 2, and Southern Block 2 would have new environmental impacts, requiring further revisions to the Final Environmental Impact Report and the public comment process will assist the decision-makers in evaluating the environmental effects of, and in making an ultimate decision on, the newly proposed developments.

It should be emphasized that the purpose of this public hearing is to ascertain whether the Draft Second Supplement to the Environmental Impact Report is an adequate document as required by applicable laws and ordinances; it is not the purpose of this hearing to examine the merits of the entire proposed Yerba Buena Center Project unrelated to environmental considerations.

President Berk noted the ground rules for the hearing.

Thomas Conrad, Chief of Planning for the Redevelopment Agency, introduced the Draft Second Supplement, described the procedures for its preparation and gave a brief overview of it.

Mr. Hamilton left the meeting at this time 6:00 o'clock p.m. and Mr. Kernan took over as Acting Executive Director.

President Berk opened the floor to public testimony on the Draft Second Supplement to received public comments in chronological order based on receipt of speakers' cards. The following speakers were heard on the matter: Richard Gryziec, Architect and Planner; Doris Kahn, Transportation Commissioner and member of the Director's Advisory Group;

MATTERS NOT APPEARING ON AGENDA (continued)

Grant DeHart, San Francisco Architectural Heritage; Gene Coleman, South of Market Alliance; John Elberling, South of Market Consortium; Darrell Salomon, Attorney for Fisherman's Wharf Merchants Association; Walter Park, Harvey Milk Gay Democratic Club; Kay Pachtner; Consumer Action; and Jack Morrison.

At the conclusion of the public testimony both the City Planning Commission and the Redevelopment Agency determined by majority vote to close the public testimony on the Draft Second Supplement.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE HEARING ON THE TESTIMONY FOR THE DRAFT SECOND SUPPLEMENT FOR THE YERBA BUENA CENTER ENVIRONMENTAL IMPACT REPORT BE CLOSED.

Mr. Newman left the meeting at this time, 7:10 p.m.

President Berk noted that this hearing concluded the public testimony on the Draft Second Supplement to the Yerba Buena Center Environmental Impact Report. She also stated that a summary of the significant comments and material produced in the continual review of the Draft Second Supplemental by the Department of City Planning and Agency staff would be recorded in the Final Supplement.

At this time the following Commissioners of the Department of City Planning commented on the Draft Second Supplement: Susan Bierman, C. Mackey Salazar, Dr. Yoshio Nakashima and Jerome Klein.

Mr. Mardikian left the meeting at this time, 7:38 p.m.

Ms. Blomquist left the meeting at this time, 7:53 p.m.

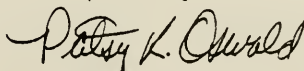
At this time the following Commissioners of the Redevelopment Agency commented on the Draft Second Supplement; Melvin D. Lee and H. Jesse Arnelle.

President Berk announced that it was planned to hold a meeting to consider certification of the Draft Second Supplement, which is tentatively set for August 26, 1982, at 1:30 p.m., Room 282 City Hall.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:00 o'clock p.m.

Respectfully submitted,



Patsy R. Oswald
Acting Secretary

(Note: A full and complete transcript of the hearing on the testimony of the Draft Second Supplement for the Yerba Buena Center Environmental Impact Report with comments of speakers and Commissioners is on file at the office of the Agency Secretary)

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF JULY 1982

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AUG 13 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of July, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnette

President Berk declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Nesbit Clutchfeld, Betty McRae, WAPAC; Robert Mueller, Robert K. Innes, MMI; Robert Giannini, DES; Jonathan Bulkley; James Bealum, Western Addition Drywall; Walter L. Rainwater, Ocean Spray Plastering Co.; Ray Doanes, Trans Bay Engineers; and Essie Collins, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of June 9, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of June 23, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of June 30, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of August 4, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 1, 1981, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (cont'd.)

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of September 15, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commission on the following matters:

- (a) Safeway's groundbreaking in the Fillmore Center is scheduled for July 28 at 2 p.m. This is the groundbreaking for the long awaited beginning of commercial reconstruction in the Fillmore area.
- (b) The loan for the San Francisco Ballet will be closing on July 15, and construction is expected to start 30 days subsequent to that closing.

NEW BUSINESS

- (a) Resolution No. 219-82 requests authorization to enter into Exclusive Negotiations with Merchandising Methods, Inc. (MMI) Partners until November 15, 1982 for Parcel C-2 bounded by Evans, Newhall and Mendell in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows: MMI proposes to build a 90,000 square foot two-story facility that will house their principal office and direct mail communications activities. They have been at their present location on Brannan Street since 1960 where they began business in a 10,000 square foot building with ten employees. They have now grown to a 70,000 square foot area and 107 employees. Their current lease will expire in December, 1983 and is not renewable. MMI has an employment potential of at least 8 jobs per year with half the job openings at an entry level. In connection with this development, staff will recommend approval of an application for an Urban Development Action Grant which is the subject of Item 9-b. Subject to a UDAG commitment from HUD, Wells Fargo Bank has agreed to loan construction funds to the developer. Because MMI needs to be in their new facilities by January, 1984, it is proposed to move forward on an expedited schedule with finalized construction documents from MMI and finalized LDA to occur not later than September 14, 1982. Also, Exclusive Negotiations will end on November 14, to allow time for completion of UDAG arrangements before conveyance. It is anticipated that construction will take 6 to 8 months and the building will be ready for occupancy during December of 1983. The Joint Housing Committee has given this project their favorable endorsement.

Mr. King indicated that he would abstain from voting on items (a) and (b) as his employer has a contract with MMI.

NEW BUSINESS (cont'd.)

Mr. Lee requested that since this is the first time the Agency is participating in a UDAG for the India Basin Redevelopment Project to assist a potential developer that Mr. Hamilton highlight why the Agency is doing it this way and Mr. Hamilton responded that in order to clarify this subject he suggested going on to item 9(b) as they are related items.

- (b) Resolution No. 220-82 requests authorization to transmit to the Mayor's Office of Economic Development an application for an Urban Development Action Grant (UDAG) in the amount of \$1,092,000 to be provided by the City to Merchandising Methods, Inc.

Mr. Hamilton reported on item (b) as follows: Item 9-a requested approval of exclusive negotiations for this development. This will enable a loan of \$1,000,000 at 8 percent interest to be provided with the remaining \$92,000 to cover the cost of administering the UDAG contract and the cost of any contingencies. The total estimated cost for the facility into which Merchandising Methods will move is \$3.89 million. The Merchandising Methods investment of \$2.80 million includes financing the purchase of 2.67 acres of land from the Agency. It also involves a portion of the construction financing for the building, parking and on-site improvements. Merchandising Methods, Inc. does not have enough financial capability, either through its equity capital or through its proposed financing, to cover the cost of this entire development. Approval of this UDAG application will enable MMI to relocate to India Basin, thus keeping 107 jobs in the City, plus an anticipated additional 100 jobs to be created over the next 5 years as the company expands. It should be noted that HUD often proposes that a recipient city or in this case the Redevelopment Agency defer its receipt of land sales proceeds, enabling the development to be accomplished with a smaller advance of UDAG dollars than would otherwise be required, and staff has been alerted to expect that HUD will take this position. Should this occur, the Agency's participation in this development will be brought before the Commission for its approval of the terms and conditions of the UDAG Grant Offer. This will be required before the City can accept the UDAG Grant as proposed by HUD.

Mr. Newman indicated he would like to take this opportunity to compliment staff and MMI on what he believed to be a progressive approach to keeping employment in San Francisco and registering a pattern for what hopefully will be one of the leading ideas for developing industry in the City. He believed it a job well done and at the appropriate time he would like to move the adoption of this item.

Ms. Blomquist requested Mr. Hamilton to elaborate on deferred land sales and Mr. Hamilton responded there will be a land sale of \$500,000 and HUD has alerted staff and the Mayor's Office of Economic Development that it may tell the City to defer taking payment for the land and instead, make that a contribution to the economics of the development thereby reducing by \$500,000 the amount HUD would

NEW BUSINESS (cont'd.)

have to put into the development. If that does occur, it would require specific Commission approval. Ms. Blomquist inquired about the letter to Bill Haskell from Mr. Enis in the UDAG application describing who would own what and Mr. Bill Haskell, Senior Planner, responded that Merchandising Methods has created a partnership which will acquire the land and construct the building. The actual corporation will provide the lease and move the existing operation into the new facility. Ms. Blomquist inquired if the UDAG would go to the developer and Mr. Haskell indicated it would go to the development entity, which is the partnership and they are doing this for tax and accounting reasons.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, THAT RESOLUTION NO. 219-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. King

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, THAT RESOLUTION NO. 220-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. King

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (cont'd.)

- (c) Resolution No. 221-82 requests authorization of a Rental Agreement with Ronnie Hay and Udi Rosha for a 760 square foot site at the south side of Market between Third and Fourth Streets in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows: Ronnie Hay and Udi Rosha plan to construct and operate a magazine and flower stand adjacent to the existing wooden fence. The appearance of the stand was of particular concern because of its high visibility and staff established design criteria for the decorator's architect, which resulted in a successful architectural solution. Construction is the responsibility of the operator and is estimated at \$25,000. Agency staff plans to re-paint the adjacent wall which, with the newspaper and flower stand, will result in a more appropriate appearance for the project. A monthly rental of \$760 was found to be an equitable rate to charge and since the tenancy will be on a month-to-month basis the Agreement can be terminated if the property is needed.

Mr. Newman inquired, that since it appeared this was the largest sidewalk stand in the City, if the rent of \$760 per month was appropriate and if the Agency was getting full value.

Mr. John Friedman, Assistant Director, Residents and Business Services, indicated the Agency has no criteria as a precedent for a stand of this type. Other stands surveyed and prices varied considerably, but staff felt \$1 per square foot reasonable and comparable especially since the operator would be making improvements of \$20,000 to \$25,000.

Mr. Hamilton indicated that comparables are difficult in this situation, but staff feels the rent is equitable and considering the improvements cost if the operator stayed beyond a year, the rent can be renegotiated.

Mr. Lee inquired if staff had the rental rates for the flower stands in front of Macy's and Magnin's and Mr. Friedman indicated staff did not have those figures available. Mr. Lee inquired if the Agency has control of the color and Mr. Friedman indicated the color scheme had been coordinated with Agency architectural staff. Mr. Lee inquired if the operator could change the operation in the future from a magazine and flower stand and Mr. Friedman responded negatively.

Mr. Newman inquired if other flower stands were on month-to-month rental and Mr. Hamilton indicated probably not, but that the Agency needs a month-to-month rental to have the property available for development.

Mr. Newman inquired if this had gone out to bid and Mr. Hamilton responded negatively. Mr. Newman indicated that it seems

NEW BUSINESS (cont'd.)

inexpensive to get that kind of square footage on Market Street although he did not generally disagree with doing it and felt it was an excellent idea for use of this space but he felt the rent was not adequate.

Mr. King indicated he would move holding this item one week in order to get additional information.

Mr. Newman requested that staff find out what other flower stands pay for rent and the revenue they receive.

Mr. Mardikian suggested calling Wally Wortman's office to obtain licensing data.

RULE OF THE CHAIR: President Berk indicated that if there is no object by any Commissioner that item (c) would be continued for one week. There being no objection it was so ordered.

- (d) Resolution No. 222-82 requests authorization to begin the employee education phase of the Social Security withdrawal study, based upon a replacement program developed by the staff Social Security Committee.

Mr. Hamilton reported on item (d) as follows: The replacement program, prepared by a six-member employee committee, was developed for use by employees as a basis for comparison with Social Security during the employee vote on withdrawal. The employee education phase is now proposed to begin in order to prepare employees so they may make an informed decision on the matter of withdrawal. The education phase will be a joint effort of Agency staff and the consultant William Mercer, who will develop the necessary educational materials. These will include illustrations of effects upon broad categories of employees, fact sheets covering the pros and cons of withdrawal and other materials that can be used to objectively present the options to employees during staff meetings. The contract with William Mercer provides up to \$5,000 for this phase of the study and will be ordered only on an as-needed basis. Immediately prior to the employee vote, now scheduled for September, the Commission will be asked to commit to supplying a specific benefit program to Agency employees if the majority of eligible covered employees vote in favor of withdrawal and if the Commission takes the final action to withdraw. This would assure the employees what their replacement benefits would be in the case of withdrawal, so they can make an intelligent and informed decision when they vote. Final action by the Commission in late September or early October would follow the employee vote. Both a majority vote of eligible employees and final approval by the Commission must be made before the Agency could withdraw from Social Security.

President Berk asked if anyone from the public would like to speak. Ms. Shirley Wysinger, who indicated she is a member of the staff

NEW BUSINESS (cont'd.)

committee which studied the effects of withdrawal from the Social Security System and a member of Local 400 reviewed the background of staff studies of the matter and reported that she wanted to take this opportunity to brief the Commissioners on Local 400's position since the briefing on this subject with the Commissioners had not been completed. Ms. Wysinger listed what the employee would lose if the Agency withdraws from Social Security and indicated the Agency should not withdraw.

Mr. Tom Dickerman, representative of Local 21, who was also on the Agency's Committee to study an alternative plan to Social Security, indicated that the issue is whether or not the Commission should have the opportunity to make an informed choice as to whether the Agency should continue to participate in the Social Security Program as the Agency needs to take an informed look at what their choices are and the employees should have the democratic opportunity to look at these choices.

Mr. King indicated that he was not on the Commission when this was first considered, but agreed with the position taken by Local 400, and would have originally been opposed to studying withdrawal as this is the only security a middle-income working person has and it is transferrable from one job to another, as a job a person has today may not be there tomorrow. So many people are trying to destroy Social Security when in 1930 workers died to get Social Security and though we need to find other ways to fund it he wanted to make a motion that the Agency not fund this study any further and that staff not be allowed to continue on this proposal. Ms. Blomquist indicated she would like to second the motion made by Mr. King.

Mr. Hamilton indicated that as the Commission is aware, two phases have already been completed and this would now be the educational phase. As Mr. King has indicated and Ms. Blomquist has concurred in, it is within the Commission's purview to say, having looked at the alternative and considered the consequences they do not wish to go any further. However, for the record, today we are not recommending withdrawal, but the educational phase, not unilaterally, but by instructions given by the Commission to the staff. The entire exploration process was presented to the Commission in a full memorandum so that the process would be understood, what the cost would be, and staff pursued it diligently. In that context the, Mr. King and Ms. Blomquist have indicated we have gone this far and looked at the alternative package and believe we should not spend any more money even for the education phase, and if you understand how staff got to this point and you still take that position, Mr. Hamilton indicated he had no problem with the Commission taking that position, but wanted them to know how staff came to their position.

Ms. Blomquist indicated that she had supported this in the past when times were a little different, as far as where the Agency was

NEW BUSINESS (cont'd.)

economically, but now agreed with the comments of Mr. King and Ms. Wysinger and this is the time to say it just doesn't work any more. Why spend another \$5,000 and then turn it down. The \$5,000 may not sound like a lot to other people, but every few thousand dollars is important to the Agency when there are layoffs going on and that is why she was no longer interested in continuing this search.

Mr. Mardikian indicated that if we were being asked to vote on approving or rejecting withdrawal from Social Security he would vote against withdrawing from Social Security, but that is not before the Commission today. What is before the Commission is to allow a study to be made so the employees of this Agency can decide whether they want to withdraw or not and then, there would be a vote of the employees. The results of that vote would then be brought before this Commission and if that vote were in favor of withdrawal, this Commission could still vote not to approve a withdrawal. Since we have only heard tonight from two of the over 100 employees he would like to see a vote of all the employees on whether or not they would like to see further information come forward on this since this was essentially started for the employees to provide them information as opposed to voting to stop the study simply based on what is known today. If a majority of the employees felt they had enough information so they no longer wanted to withdraw, he believed that would be a more fair way to proceed.

Mr. Newman indicated he was concerned that in this case the majority would rule and that a minority could be delivered into the hands of a private carrier by the majority that could work a hardship on the minority, which he believed was not democratic. Even if the majority does rule, it seems that people are entitled to keep what they have and not have others legislate against them. If those opposed had a choice of staying with Social Security then it would be equitable, but unless it was unanimous to withdraw he believed it would be discriminatory against those who did not wish to withdraw. Since he had heard a negative position from an individual representing a group of employees he believed it was not going to be unanimous and on that basis intended to vote against proceeding.

Mr. Lee indicated he did not believe there would be a unanimous vote by the employees, according to what he had heard tonight and even if there is one, the Commission can vote no on withdrawing anyway, so in his opinion he did not want to spend additional money to further study this item and intended to vote no on the situation.

President Berk indicated that she believed that the Executive Director had stated that in conducting Phases I and II of this study, staff was following a Commission directive, but she believed this was something that was brought to the Commission by the employees and it was not initiated by the Commission. Though it was approved by the Commission, the study was not initiated by any one

NEW BUSINESS (cont'd.)

on the Commission and what she was hearing now is that even if the Commission were to proceed with the next phase of educating the employees, and the vote would come out positively to withdraw, she did not hear the votes on the Commission to approve withdrawal at that time.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT THE AGENCY NOT PROCEED FURTHER WITH ANY STUDY REGARDING WITHDRAWING FROM SOCIAL SECURITY.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Ray Doanes, President, Trans-Bay Engineers and Builders in Joint Venture with CPA Construction building the project Divisadero Heights for the developer Sapanur and Ouring addressed the Commission as follows:

We are now into the finishing work and sought quotes from subcontractors particularly minority subs on several items of work and most of the subcontracts let have been let to minority firms. However, they have not all been from the Western Addition Area, but believed there was a fair representation. The sheet rock job was estimated at \$100,000 and the lowest bid was \$105,000 and Agency staff was asked permission to award that contract. Mr. Charles Jones of your staff was told that we would seek permission before awarding any subcontract and requested his approval on awarding to American Dry Wall. Formal approval has not been received. There seems to be a question from some contractors on our bidding procedures.

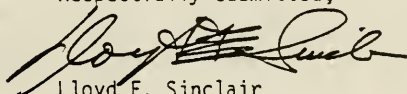
Mr. Lee inquired how many sub bids were received for the dry wall and Mr. Doanes indicated four, ranging from \$105,000 to \$245,000.

Mr. Lee inquired what the second bid was and Mr. Doanes indicated \$140,165 and indicated he felt they had to go with the low bidder who is American Dry Wall. Mr. Lee inquired what American Dry Wall's address is and Mr. Doanes indicated 1660 Hudson Street, San Francisco, CA 94124, telephone 641-4025.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on personnel and litigation. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

August 3, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF JULY 1982

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SEP 15 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of July, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Haig Mardikian
Waiter S. Newman

and the following was absent:

Melvin D. Lee, Vice President
H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were John W. Russell, Jens Hansen, McAllister Properties, Ltd.; Keith Beverly, Beverly Coat Hanger; Youn S. Chey, S. K. Hong, The Multi-Service Center for Koreans; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Arthur Evans, Lassen Apartments; John Schlenke, Mr. and Mrs. H. Greenwald, and Morris Phillips, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of July 6, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) There has been another change in the date for Safeway's groundbreaking from the previous date of July 28. It is now scheduled for July 30 at 9:30 a.m.
- (b) Mr. Hamilton appeared before the Civil Grand Jury by invitation of the foreman, Mr. Cardoza, to make a presentation on the Agency's program, accomplishments and its problems, which ran for three hours. It was a healthy exchange and provided an opportunity for

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Cardoza and the jury to better understand the Agency's operations.

- (c) Today Mr. Hamilton appeared before the Board of Supervisors' Planning, Housing and Development Committee in connection with the "Sunset Legislation", which considered the need for continuing the Agency, its cost effectiveness, and if it was meeting the public purpose for which it was originally formed. This matter was acted upon by a unanimous "do pass" to continue the Agency as is. It will now go to the full Board.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Disposition Agreement for sale of land and improvements and rehabilitation of Parcel 689-A; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 202-82, requests authorization to enter into a Disposition Agreement with the Multi-Services Center for Koreans for purchase and rehabilitation of 1362 Post Street (Parcel 689-A) in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This item has been delayed because of complications surrounding the restricted use of the building for educational and cultural purposes. The appraisals received by staff to establish a price for this site did not consider the limited use specifically proposed. Both appraisers based their appraisal on highest and best use which does not apply in this case. Consequently, the price was considerably higher than expected and unacceptable to MSCK. New appraisals are being prepared. In an effort to help provide these important community services for the City, staff is trying to reach a solution acceptable to MSCK and the Agency and requests a continuance until August 3.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued to August 3, 1982. There being no objection, it was so ordered.

- (b) Resolution No. 221-82, requests authorization to enter into a Rental Agreement with Ronnie Hay and Udi Roshia for a 760 square foot site at the southside of Market between Third and Fourth Streets in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. This item was continued from last week's meeting. Staff recommends a further continuation of one additional week. Much of the data requested by the Commission on this item has been obtained but additional time will be required to obtain more data and assess the information received.

UNFINISHED BUSINESS (continued)

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be continued for one week to July 27. There being no objection it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the First Amendatory Agreement for Parcel 768-A; Western Addition A-2

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 223-82, requests authorization of a First Amendatory Agreement to the LDA with McAllister Properties for Parcel 768-A located on the east side of Gough between Golden Gate and McAllister. This amendatory will extend time to redesign the development and change the use from mixed residential/office development to residential only.

Mr. Hamilton reported on item (a) as follows. The LDA was authorized in September, 1981, for the developer to construct 36 residential condominiums and 10,000 square feet of office condominiums over a 56-car ground floor garage. McAllister Properties has proceeded with its design program according to the LDA schedule, with final construction documents received and approved by staff. Subsequent to this approval, the Board of Supervisors at the urging of the Agency and developer eliminated the Fire Zone restrictions that affected the cost considerations of this development. This now allows for a less expensive type of construction while maintaining a high degree of fire protection. The developer has now requested an extension of time to permit the redesign of the development which is estimated will save from \$15,000 to \$20,000 per unit. The original cost estimates for construction of the office space have proven to be low and the market for office condominiums has softened recently and for that reason the developer also requests permission to change the proposed office use to 18 market-rate residential condominiums. The new schedule would change submission of evidence of financing from June 30, 1982 to January 10, 1983; commencement of construction from August 30, 1982 to April 9, 1983; and completion of construction from December 30, 1983 to August 9, 1984.

Ms. Mary Rogers, WAPAC, indicated her concern that this development had too many studio and one-bedroom units and that larger units are needed and should be considered and requested that the Agency help accomplish that goal.

Mr. John Russell, McAllister Street Properties, indicated that there would be 15 and not 18 units built in place of the office space and only three of the 15 would be studios.

Ms. Blomquist inquired if it was possible to break up the solid wall

NEW BUSINESS (continued)

at the street level so that when people walk down the street there is not just a dead wall next to them, and Mr. Jens Hansen, the developers architect, indicated he took willingly to the suggestion and would provide for more landscaping and greenery along that area.

There being no further persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-82 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the granting of a variance from the front yard setback requirement of the Redevelopment Plan for Assessor's Block 7511; Diamond Heights.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 224-82, requests consideration of a variance from the front yard setback requirement proposed by Mr. Howard Greenwald for 1 Amethyst Way in Diamond Heights Redevelopment Project.

Mr. Hamilton reported on item (b) as follows. A front yard setback requirement of 5' was established in the Redevelopment Plan as the current owner Mr. Greenwald was aware of when he purchased the property. He has requested this variance to permit a one-story addition to his residence which will project 2 feet into the required front yard setback, and would run 15 feet in length along Amethyst Way. Mr. Greenwald explained that this addition would provide needed space for physical therapy for his handicapped daughter. Staff in their analysis of the application has made several visits to the neighborhood at Amethyst Way and after reviewing the plans and discussing them with Mr. and Mrs. Greenwald, staff has several concerns: (1) A variance can be granted if literal enforcement would cause unnecessary hardship, involve practical difficulties, or would construct an unreasonable limitation beyond the spirit and purpose of the restrictions, and variances have been considered when they relate to difficult topographical and site conditions. However, the specific circumstances cited by Mr. Greenwald, in this case a physical problem with one of the family, does not qualify under the hardship definition. (2) The proposed addition would be a 245 square foot family room that would extend two feet beyond the 5 foot front yard setback and staff feels that if the addition is held back to comply with the Plan the interior circulation and its effective utilization would not be impaired since a family room of 215 square feet would still be provided. (3) The setback requirements of the Plan were to ensure a high quality streetscape throughout the project area and to permit this encroachment would defeat the overall objective of the Plan. Based on these concerns, sensitive to the instructions with respect to adherence to Plan requirements as expressed in the policy of this Commission, we can not find sufficient justification for the variance request and we place the matter in the Commissions hands, subject to their wisdom.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Ms. Blomquist requested that copies of the letters from the neighbors of the Greenwald's and the Diamond Heights Association supporting their variance request be sent to her, and Mr. Hamilton indicated this would be done.

Mr. Newman inquired if this variance complied with the City code and Mr. Hamilton responded affirmatively, but that the variance is not in compliance with the Redevelopment Plan which is more restrictive than the City code.

Mr. Mardikian indicated he was inclined to vote for granting the variance after seeing the drawings and reading the memo.

Mr. Newman inquired if there had been any objection from any one and Mr. Hamilton responded no.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 224-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. King
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 225-82, authorizing a Second Amendatory Agreement to the Agreement for Disposition of Land with Beverly Coat Hanger, Co., Inc., for Parcel I-5 (south side of Fairfax Avenue between Mendell and Keith Streets); India Basin Industrial Park.
- (d) Public Hearing to hear all persons interested in the assignment of interest for Parcel I-5; India Basin Industrial Park.

Resolution No. 226-82, approving the assignment of interest in the agreement for Disposition of Land by Beverly Coat Hanger Company, Inc., to Keith J. Beverly and Inice J. Beverly for Parcel I-5 (south side of Fairfax Avenue between Mendell and Keith Streets); India Basin Industrial Park.

NEW BUSINESS (continued)

President Berk opened the public hearing to hear all persons interested in this matter.

Item (c) requests authorization of a Second Amendatory Agreement to the LDA with Beverly Coat Hanger Company and (d) is the subject of the Public Hearing to assign all rights, title and interest of Beverly Coat Hanger Company, Inc. in the LDA to Keith J. and Inice J. Beverly for the parcel located on the south side of Fairfax between Mendell and Keith Streets in India Basin. In August, 1981 an LDA was approved with a First Amendatory Agreement authorized in April, 1982 to extend time to submit evidence of financing. Final construction documents have been submitted and approved for this 12,000 square foot building. Beverly Coat Hanger assembles and sells garment hangers to hotels, department stores and mass marketing trades. Under item 9(c), the performance dates would be changed for submission of evidence of financing from June 15 to September 12, 1982 and conveyance of the site from July 15 to November 12, 1982. Under 9(d) regarding the matter of the Public Hearing on the assignment of interest, the President and owner, Keith Beverly, has been advised by his tax consultant to have title in the subject parcel vested as joint tenants as opposed to a corporate entity to accommodate the tax structure of his business, therefore the developer is assigning its interest in name only to Keith J. and Inice J. Beverly. Approval is recommended on both items 9(c) and 9(d).

There being no persons wishing to appear in connection with this matter President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-82 BE ADOPTED.

- (e) Resolution No. 227-82, requests authorization of a contract with Keyser-Marston Associates in the amount of \$60,000 for the Yerba Buena Center Project.

Mr. Hamilton reported on item (e) as follows. In June, 1980 a contract was authorized with this firm to assist the Agency in all aspects of the market and developer selection for the mixed-use development in YBC. Keyser-Marston has participated as a member of the developer selection group and provided staff with all financial analysis through the entire selection process and the negotiation process. It is now appropriate to update the Scope of Services being provided by KMA and enter into a new contract with KMA to assist staff in the final negotiations and the LDA execution process. Staff believes it is essential to continue to have the availability of KMA's valuable services because of their significant role in the negotiations with O & Y. KMA has expanded its capacity by adding Cal Hollis as a partner who is also a principal in the

NEW BUSINESS (continued)

firm of Katz, Hollis, Coren and Mr. Hollis will be providing expertise in the area of public financing during project negotiations. Approval of this contract with Keyser-Marston for economic consulting services is recommended.

Ms. Blomquist requested that after spending \$300,000 that staff closely watch how they use this firms services and Mr. Hamilton indicated that the negotiating process is an expensive one and if the developer would simply agree to the Agency's terms it would be concluded tomorrow.

Mr. Newman inquired what the hourly rate is and Mr. Michael Mann, Business Development Specialist indicated that it is on a sliding scale and that the principals receive \$95 per hour.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-82 BE ADOPTED.

- (f) Resolution No. 228-82, requests authorization of the issuance, sale and delivery of Construction Loan Notes in the amount of \$4,824,900 to provide construction financing for the 81 unit Lassen Apartments Project at 441 Ellis Street begin development under Section 8 by Lassen Associates.

Mr. Hamilton reported on item (f) as follows. The Board of Supervisors has approved the issuance of these notes and the Bond Counsel has prepared the resolution and supporting documentation for the issue. The construction loan will be serviced by First Interstate Mortgage Company and the Notes are served by Security Pacific National Bank, as Trustee, through the Indenture. No permanent financing is proposed to be secured by the issue of bonds as has been the case in other transactions brought before this Commission. This is because the developer has acquired other financing (GNMA Tandum) to discharge the borrowers obligations under the loan notes. The following specific documents will be approved by this Resolution: The Trust Indenture, the Investment Yield Agreement, Agreement for Financing Residence under SB-99 Mortgage Servicing Agreement, Official Statement, and Note Purchase Agreement. As is standard in Agency SB-99 financings, the Construction Loan Notes are special obligations of the Agency payable solely out of revenues from the project and the bond issue. Neither the Agency, Commissioners, nor employees have any personal liability in regard to these obligations. The developer will pay a fee to the Agency for administrative services.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-82 BE ADOPTED.

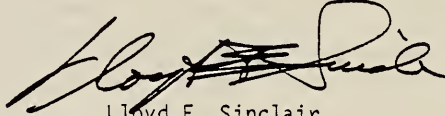
ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously

ADJOURNMENT

carried that the meeting be adjourned to a closed session on personnel.
The meeting adjourned at 4:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

July 27, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JULY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of July, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Leroy King
Walter S. Newman
Haig Mardikian

and the following were absent:

Melvin D. Lee, Vice President
Dian Blomquist

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Joint Housing Committee; Kendall Hobbs, Ergina Village and Mariposa Gardens; Norman Smith, Golden Spear Construction Co., Inc.; John Liang, O.K. Parking; Mary Rogers, WAPAC; A. Ergina, Yerba Buena Foundation; U. J. Montgomery, Arko Systems; Steve Leonoudakis, Attorney for Golden Gate Parking; Steve Parliament, John Stewart Co.; Roy Chew; Ron Britz, California Parking Co.; and Don Fowler, O. K. Parking Co.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of July 20, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the closed session of June 15, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

DEPOSITORY ITEM
DOCUMENTS DEPT.
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REPORT OF THE EXECUTIVE DIRECTOR (cont'd.)

- (a) Mr. Hamilton is in Washington, D.C. with the Mayor to meet regarding the purchase of the GSA building in YBC and is expected back Thursday.
- (b) Safeway's groundbreaking, which had been scheduled for July 30 has been cancelled.
- (c) Well after midnight last night the Board of Supervisors unanimously approved the item on the Sunset legislation, which was to consider the need for continuing the Agency.
- (d) Also, at 2:15 this morning, the Board of Supervisors unanimously approved the issuance of bonds for Mercy Terrace and Mariposa Gardens housing developments, which will be discussed and considered under New Business, items (a) and (b).

UNFINISHED BUSINESS

- (a) Resolution No. 221-82, requests authorization to enter into a Rental Agreement with Ronnie Hay and Udi Rosha for a 760 square foot site at the south side of Market between Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item 8(a) as follows. This item on a proposed rental of space for a flower/newsstand was continued from last week's meeting. This was to allow staff time to assess the information received that had been requested by the Commission at the meeting of July 13, concerning data on comparable rents, revenues and licensing requirements pertaining to the operation of a flower/newsstand. Staff contacted: the City Real Estate Department and the City Permit Bureau on licensing requirements; five Real Estate firms familiar with rental of downtown properties; and Cal-Trans which is a government agency. Staff also surveyed two flower stands in the downtown area, located at Liberty House, I. Magnin and the stand at the corner of Grant and Geary Streets. The information received varies widely in its applicability or comparability to the proposed rental but, generally, the amount of rent is determined by the length of the lease and the initial investment required of the lessee as well as the location of the stand. From the survey of the real estate firms, it was determined that a fair rental rate range would be \$1.25 - \$3.00 per square foot when there is a lease with a 12-month amortization period. Staff economic analysis and negotiations with the operator has resulted in a proposal which would provide for a month to month rental of \$2.00 a square foot or \$1,520 per month and would further provide for a pro-rata return of the operators investment of \$25,000 if the tenancy is terminated within 12 months. The operator has agreed to the \$2.00 per square foot versus the previously discussed \$1.00 since the Agency is willing to consider amortizing the initial investment. Staff believes the installation of this stand will improve the appearance of the area and bring in additional revenue to the project.

UNFINISHED BUSINESS (cont'd.)

Mr. Newman indicated that the staff recommendation for amortization is acceptable but that it was usual to have a percentage of sales clause applicable to this type of lease and recommended that after one year, the percentage clause be added and Mr. Kernan responded that a percentage clause would be considered. Mr. Newman requested that the operator submit a monthly report of sales so that the Agency will be in a position to negotiate new terms after the one year period and Mr. Kernan responded that the operator would be requested to do that.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-82 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 229-82 requests authorization of the issuance, sale and delivery of Construction Loan Notes and Mortgage Revenue bonds in the amount of \$4,331,200 and \$4,610,000 respectively, to provide construction and permanent financing under SB 99 for the 63-unit Mariposa Gardens Section 8 Project at 501 Hampshire Street being developed by Mission Housing Development Corporation.
- (b) Resolution No. 230-82 requests authorization of the issuance, sale and delivery of Construction Loan Notes and Mortgage Revenue bonds in the amount of \$9,325,100 and \$9,915,000 respectively, to provide construction and permanent financing for the 158-unit Section 8 Mercy Terrace Project at 1500 Fell Street being developed by the Mercy Services Corporation.

Mr. Kernan reported on items (a) and (b) as follows:

Staff has obtained approval of the Board of Supervisors on both of these issues. Bond Counsel has prepared the subject Resolution and supporting documentation for the issue. The construction and permanent loans for both projects will be serviced by Bank of America Mortgage and International Realty Corporation as Mortgagee, and Bank of America will be the Trustee for the Notes and Bonds. The following documents will be approved by these Resolutions for both items (a) and (b): The Trust Indenture, the Investment Agreement, the Agreement for Financing Residence under SB 99, the Mortgage Servicing Agreement, the Official Statements and the Bond and Note Purchase Agreement. As is standard in Agency SB 99 financings, the Construction Loan Notes and Mortgage Revenue Bonds are special obligations of the Agency payable solely out of revenues from the project and the bond issue. The developer will pay a fee to the Agency for administrative services in connection with both these issues.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. HADJIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-82 BE ADOPTED.

NEW BUSINESS (cont'd.)

- (c) Resolution No. 231-82, requests authorization to reject all bids received for rental of the parcel located on the northerly portion of Central Block #2 on Mission Street between Third and Fourth Streets in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. Three bids were received for the parcel to be operated as a public parking lot. The two highest bids were not responsive and it is staff's opinion the remaining bid was too low. It is therefore recommended that all bids be rejected and staff intends to rebid this parcel as a parking facility.

Mr. Steve Leonoudakis, attorney for Golden Gate Parking, indicated that Golden Gate Parking had the only responsive sealed bid and they had met all specifications and his clients have arranged for financing of the anticipated \$250,000 needed for paving, lighting, etc. He also indicated that his clients are willing to proceed and take the risks involved. He urged the Commission not to rebid this item, but to award the operation of this parking facility to Golden Gate Parking Company.

Mr. Ron Britz, General Manager of California Parking Co. who now operates a parking lot on a small portion of the subject parcel, indicated that they had been asked by Agency staff to negotiate the parcel before it had gone out to bid, but had not received a reply to their proposal. He also indicated he felt it was unfair for the Agency to send them a 30-day termination notice when the Agency usually only did this when they wanted the lot for development and not when they were going to rebid the property for parking. He requested they be allowed to continue their operations where they are now which constitutes approximately 18% of the total parcel. Mr. Mardikian inquired if California Parking Co. had submitted a bid and Mr. Britz responded negatively.

Mr. Arnelle inquired if California Parking Co. had received a cancellation notice prior to the bid notice and Mr. Britz indicated affirmatively about 6 or 7 days before.

Mr. Kernan indicated that parking lots have in the past been put back out to bid when the Agency required a reasonable return on their money. Staff felt it would be more efficient and the Agency would receive a better price if they bid the entire parcel and it is recommended that this parcel be rebid with an alternative which would allow for a bid on the small parcel now run by California Parking Co. and a bid on the entire parcel.

President Berk inquired if staff had considered the negotiations with California Parking Co. and Mr. Kernan responded yes but their price was not satisfactory and it was determined to go out to bid.

Mr. Mardikian inquired why California Parking Co. had not bid and Mr. Ron Britz responded that because his company had submitted a proposal during negotiations the competition would then know what

NEW BUSINESS (cont'd.)

their figures were, and because they had received a cancellation notice prior to the bid and further they felt a 12-month amortization was not sufficient for the amount of investment required.

Mr. Newman inquired if \$6,000 per month was the rate California Parking Co. is paying for the parcel and Mr. Britz responded affirmatively. Mr. Newman then indicated that since Mr. Britz had noted his parcel was 18% of the total, that the remaining 82% of the entire parcel would only be bringing in \$3,737 per month or 50% more than California Parking Co. is now paying for their small parcel. The Agency should be receiving three times what California Parking Co. is paying. Mr. Britz indicated that there is a substantial risk involved. Mr. Newman indicated that based on his figures he believed the Agency should rebid.

President Berk inquired if originally California Parking Co. had been asked to negotiate what they have in addition to the larger parcel and Mr. Earl P. Mills, Deputy Executive Director, Community Services, responded affirmatively. Mr. Mills also indicated that California Parking Co. had also been told their proposal was not acceptable and that the Agency was going out to bid.

Mr. Newman inquired if the reason that there is a 12-month limit was because YBC Central Blocks might not get started during that time and also inquired if the operator could stay longer on a month-to-month basis if YBC does not get started and Mr. Kernan responded affirmatively to both questions.

Mr. Don Fowler, O.K. Parking, indicated their firm had bid the highest and requested the Commission to reexamine the bids but that if the Commission rejects the highest bid, then the Commission should rebid. Mr. Kernan indicated the reason the O.K. Parking bid had been rejected was because it was not responsive. Mr. Leo Borregard, Agency General Counsel, indicated that even if the Agency had received a responsive bid, the Commission has the discretion to reject any and all bids.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Norman Smith of Golden Spear Construction Co., Inc., appeared before the Commission to request that it investigate the fact that he had not been paid for work performed on a development located in the Western Addition A-2. President Berk inquired if Mr. Smith had brought this matter to staff and Mr. Smith responded affirmatively and that he had met with Mr. Hamilton three months ago and had submitted documentation concerning an illegal sign off by the Agency of a Certificate of Completion but had received no satisfaction. Mr. Smith also indicated that his company has been put out of

MATTERS NOT APPEARING ON AGENDA (cont'd.)

business and that work on the 120 units has still not been completed and the tenants have been deprived. Mr. Kernan indicated staff had not received this information before and it would be appropriate for Mr. Smith to do so.

President Berk indicated that without the documentation being provided to staff and since there was nothing before the Commission, it was her understanding that the Commission could not act on this.

Mr. Leo Borregard, Agency General Counsel, indicated that it was his advice to the Commission that Mr. Smith submit this documentation to staff so they can review it and then inform the Commission.

Mr. King and President Berk both agreed that this matter should be referred to staff. Mr. Newman indicated that Mr. Smith had made serious accusations and urged that staff investigate and report back to the Commission and Mr. Kernan indicated this would be done but the documentation referred to is necessary. Mr. Borregard indicated that this Agency has never had a contract with this contractor.

- (b) Resolution No. 232-82 requests authorization of an agreement to provide funds for the Amancio Ergina Village Project in the Western Addition A-2.

Mr. Kernan reported on this item as follows:

This Agreement would make loan fees available to this development in an amount not to exceed \$115,000 if needed, in connection with mortgage financing through the City's 1982 Single Family Mortgage Revenue Bond Program for construction of 72 units of cooperative housing. On May 18 an extension was granted of exclusive negotiations to give the developer additional time to arrange financing. During this time the developer and OCD have worked diligently to arrange this financing. The State of California Department of Housing and Community Development have entered into an agreement with the City to finance and subsidize 30 of the 72 units and extensive efforts have been made to arrange financing for the remaining 42 units.

The City is now ready to proceed with its 1982 Single Family Mortgage Revenue Bond Program and this development has been included among the developments to be funded by this bond issue. One of the requirements of this program is that each developer provide the loan fee in the form of funds equal to two percent of the mortgage amount requested, which in effect represents earnest money. This loan fee is not recoverable from mortgage proceeds. In addition, the source of the construction loan, Bank of America Mortgage and International Realty Corp. requires a loan fee in the amount of 1-1/2% of the loan amount. This fee is recoverable from mortgage proceeds. The required loan fees will be approximately \$50,000 for the construction loan and \$65,000 for the mortgage.

MATTERS NOT APPEARING ON AGENDA (cont'd.)

Funds are still available that were set aside by your authorization on January 26 in the amount of \$230,154, and now that it appears the full financing package for the 72 units Cooperative family housing is essentially in place also, these funds will not be advanced until needed.

President Berk inquired if the Mortgage Fee of \$50,000 is refundable and the \$65,000 is not refundable? Mr. Kernan responded that is correct.

Mr. U. J. Montgomery, Arko Systems, indicated he was speaking on behalf of the A-2 Certificate Holders and urged that the Commission pass this item and believed the Agency should also support other Community based developments in this way.

Ms. Mary Rogers, WAPAC, indicated her support of this development and urged the Commission pass this item.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-82 BE ADOPTED.

- (c) Mr. Kernan reported on the status of negotiations with the Port for Lease of Properties in the Rincon Point-South Beach Redevelopment Project. At a meeting on July 28, the Port Commission will be requested to approve in principle the financial terms to be used in an option and lease for all Port properties in the South Beach portion of the Rincon Point-South Beach Redevelopment Project Area. The properties include the entire area required for the Small Boat Harbor and Park development, Sites M and N, two major housing sites, Sites J and K, and several rights-of-way. Staff has been negotiating with the Port, primarily Mr. Tom Yerkes, Director of Finance and Administration and now he is resigning from the Port as of August 1. Since he has been so intimately involved in the negotiation of this lease from the Port's side, staff feels it would be prudent to seek their approval in concept while he is still available.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, gave a detailed report, as noted in an informational memo, included in Commissioners' folders, on the basic financial terms that will be presented for approval to the Port Commission on July 28.

Mr. Newman inquired in regard to the letter of July 20 to the Port Commission, an item regarding the Agency leasing of the property and if we are talking about buying the property and Mr. Cannizzaro responded negatively. Mr. Borregard indicated that it is similar to a prepaid rent situation. Mr. Newman inquired if this arrangement would make it possible for the developer not to pay a base rent and Mr. Kernan responded that this would permit a buy out of the lease.

Mr. Newman inquired that since the Agency is getting an Option to Lease sites J, K, M and N plus street area is the Agency required to

MATTERS NOT APPEARING ON AGENDA (cont'd.)

pay for this and Mr. Cannizzaro responded the Agency will not pay for this option.

Mr. Newman said this places the development responsibility with the Agency and Mr. Kernan noted that in effect the Agency will be the development arm of the Port Commission which provides us an excellent opportunity. President Berk inquired that if it was staff's recommendation to approve the proposal in principle and Mr. Cannizzaro responded affirmatively.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY APPROVED THAT THE COMMISSION ENDORSE IN PRINCIPLE THE FINANCIAL TERMS TO BE USED IN AN OPTION AND LEASE FOR ALL PORT PROPERTIES IN THE SOUTH BEACH PORTION OF THE RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:45 p.m.

Respectively submitted,

Lloyd E. Sinclair
Secretary



SF
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#4
7/27/82

MINUTES OF A CLOSED SESSION OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JULY 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a Closed Session at 939 Ellis Street in the City of San Francisco, California at 5:50 p.m. on the 27th day of July 1982, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present.

Charlotte Berk, President
H. Jesse Arnelle
Leroy King
Haig G. Mardikian
Walter S. Newman

APR 17 1992

and the following were absent:

Dian Blomquist
Melvin D. Lee, Vice President

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The President declared that a quorum was present.

Also present were Redmond F. Kernan, Acting Executive Director; Earl P. Mills, Deputy Executive Director, Community Services; and Lloyd E. Sinclair, Secretary.

Mr. Kernan indicated the purpose of this session was to discuss the ongoing personnel matters arising out of the Grand Jury Report on the Minority Business Enterprise (MBE) program.

Mr. Mills reported on his discussions with firms suggested by the Commission as consultants for the management study; distributed copies of the Arthur D. Little proposal and a letter from Peat, Marwick and Mitchell (PMM), which stated that PMM did not wish to make a proposal; and that he was unable to reach the key staff person at Ernst and Ernst.

During discussions on this matter, the Commissioners expressed their concerns about the need to have an independent study and appraisal done and that the end result should advise the Commission where the weaknesses are - if they exist - in respect to administration of as well as the process of the MBE program.

Mr. Arnelle requested Mr. Borregard's involvement in the review of the specific areas to be probed by the consultant to assure that all legal matters were covered.

Mr. Newman requested that staff contact Touche Ross and Company and Coopers and Lybrand to see if those firms wished to make a proposal.

It was noted that it would be helpful if the Commissioners could meet with the representatives of the potential management study consultants to discuss their proposals and agreed that this would be done as a continuation of this Closed Session at 3:00 p.m. on Monday, August 3, 1982.

Minutes of a Closed Session
July 27, 1982

RECESSED

It was moved by Mr. Arnelle, seconded by Mr. King and unanimously carried that the meeting be recessed to Tuesday, August 3, 1982, at 3:00 p.m. The meeting recessed at 6:20 p.m.

Respectfully submitted,

Lloyd E. Sinclair
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF AUGUST 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:25 o'clock p.m. on the 3rd day of August, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

none

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Norman Smith, Black Association General Contractors; Alex Papillon, Ram Horns; S. K. Hong, Dr. Youn Chey, Multi Service Center for Koreans; Neill Hannon, Attorney, Trans International Consultants; Germaine Wong, CAO's Office; U. J. Montgomery, James H. Pyle, Jr., Mary Helen Rogers, Donald Bryant, Crutchfield, Betty McRay, Pleasant Carson, Western Addition Project Area Committee (WAPAC); and Leola King, Charles Gill, Arnold Townsend and Teresa Turner, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of July 13, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of July 27, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Berk reported on the following matters:

- (a) Other Agency business has caused a delay in starting the meeting today and the Commission regrets any inconvenience that may have been caused, as every effort is made to start the meetings on time.

REPORT OF THE PRESIDENT (continued)

- (b) The Executive Director, Wilbur Hamilton is on vacation and Redmond Kernan will be Acting Executive Director.

At this time, 4:28 p.m., Mr. Kernan, Acting Executive Director joined the meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The Board of Supervisors yesterday approved the left hand turn lane at Geary onto Webster Street which was part of the Agency's agreement with Safeway and the UDAG.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the Disposition Agreement for sale of land and improvements and rehabilitation of Parcel 689-A, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 202-82, requests authorization to enter into a Disposition Agreement with the Multi-Services Center for Koreans for purchase and rehabilitation of 1362 Post Street in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. Exclusive Negotiations were entered into in March of this year. The information submitted on the Redeveloper's Statement of Qualifications and Responsibility indicates over half the costs of rehabilitation are already in hand and they expect to confirm the balance by February 25, 1983. Action on this LDA was originally scheduled for June 29, but was continued to today to insure that the disposition price which is now established at \$145,000 accurately reflects the value of the restricted use for the site by a non-profit institution. This price is based on the land value alone, without consideration of an additional 20% which has been required by HUD regulations to date. When the A-2 Project Close Out is approved, the Agency can sell the property for the price that more accurately reflects the real market value of the property when consideration is given to the Agency's rehabilitation program requirements and the property use restrictions. The LDA contains specific language regarding this issue and provides that in the event a change of use occasioned by foreclosure under a mortgage, the successful bidder or purchaser would be able to use the Site for residential use as permitted by the A-2 Redevelopment Plan without further action by the Agency and

UNFINISHED BUSINESS (continued)

any other use would require Agency approval. Also, the Agency could then recapture the increased value due to the change of use. As a result of establishing the lower price based on the restricted use value the published version of the LDA must be changed to reflect the new Agreement. These changes include: establishing permitted uses upon completion of the rehabilitation; establishing price and required deposit; revisions of performance schedule; providing for recapture of price difference if a use change occurs; waiving collection of in lieu taxes; and a condition that the price of \$145,000 is conditioned upon A-2 Close Out by close of escrow and the price would be increased by 20% or \$29,000 for a total of \$174,000, if that does not occur. Also, if MSCK does not accept the higher price, the Agreement may be terminated by MSCK. WAPAC's Board has voted in favor of this item.

Mr. U. J. Montgomery indicated he was speaking on behalf of the Black Star Housing Partnership, Ltd. and the A-2 Certificate of Preference Holders and as a Director of WAPAC and stated he opposed this item because the award is in contravention of the A-2 Certificate of Preference Program in that Certificate of Preference Holders who previously expressed an interest in developing the Parcel were not advised of the availability of the parcel on a negotiated basis, and requested it be continued until there was an opportunity to meet further with staff and have a workshop with the Commission.

Mr. Norman Smith, Black Star Housing Partnership, Ltd. and Golden Spear Construction Company indicated he agreed with Mr. Montgomery's statement and was also opposed to this item.

Ms. Mary Rogers, WAPAC, indicated that this item had been approved by WAPAC a year ago and urged that the Commission approve it now.

Dr. Youn Chey, Executive Director, Multi-Services Center for Koreans, urged the Commission grant this LDA without further delay. Donald Bryant, Chairperson of WAPAC, indicated he was aware WAPAC had approved this a year ago and supported this item even though he was not a member then, however, he also supported the A-2 Certificate Holders to recover some properties and wants to see the Black Star Housing Partnership go forward.

Ms. Teresa Turner indicated she was a Certificate Holder and interested in the same parcel and felt it was not a good location for a Community Center.

There being no further persons wishing to appear in connection with this matter, President Berk closed the public hearing.

Mr. Lee inquired of Ms. Turner if she had talked with Agency staff and did they know what she needed and Ms. Turner indicated affirmatively, but that they had not shown her anything suitable. Mr. Lee asked if her Certificate was residential or business and

UNFINISHED BUSINESS (continued)

Ms. Turner indicated business. Mr. Lee asked for clarification of any differences in applicability of a Business Certificate or Residential Certificate and Mr. Earl P. Mills, Deputy Executive Director, Residents and Business Services, indicated that either Certificate can be used for available parcels.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-82 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 233-82, requests authorization to further consider the need to aggregate the remaining easterly portion of Lots 18 and 24, Block 3774, (Development Site G), Rincon Point - South Beach.

Mr. Kernan reported on item (a) as follows. This item was to be a Public Hearing, but since it was not properly noticed by the San Francisco Progress, it will have to be republished and recalendared. It is anticipated that this item will be calendared for the meeting of August 24, 1982.

- (b) Resolution No. 234-82, requests authorization to enter into a Personal Services Contract with Eugene Burger Management Corporation for professional marketing and pre-management services for the Agency's Western Addition Condominium Program in an amount not to exceed \$14,200.

Mr. Kernan reported on item (b) as follows. This program involves 31 units of rehabilitated housing and buyers will be selected by lottery with priority for certificate holders for those units. In order to implement this program, the assistance of a professional marketing and management firm is needed to assist staff in several areas necessary to market the units, to select buyers, and to conduct orientation sessions for lottery winners. In addition to these tasks, the contract further requires commitment to perform management services for the condominium association for a two-year period after the association has been formed. Eugene Burger Management firm has provided successful management services to developments in Agency projects for ten years and they also manage a number of market-rate condominiums throughout the area. Staff believes a professional firm is necessary because the sales program is extremely complicated, the homebuyer needs to understand the particulars of their loan payment and condominium membership obligations and these units are rehabilitated Victorians that require a different kind of maintenance from newly constructed residences and also the units are located on five different sites. The schedule for this program is - Commission approval of the Sales Program and Beginning of Public Advertising on September 19, 1982; First Open House on September 26, 1982; and Lottery held and actual sales start on November 11, 1982. Approval of this Personal Services Contract with Eugene Burger Management Corporation is recommended.

NEW BUSINESS (continued)

Mr. Norman Smith indicated he opposed this item because there were other locally based firms that had not been advised of this contract nor permitted to make proposals.

Mr. U. J. Montgomery indicated he agreed with Mr. Smith's comments and opposed this item.

Mr. Donald Bryant indicated he was concerned with awarding this contract to this firm and also did not approve of the Affordable Condominium Program.

Ms. Blomquist inquired when the Agency plans to close out A-2 and Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated the financial close out would occur September 15, 1982.

Mr. Arnelle indicated that he was concerned about the issue Mr. Smith and Mr. Montgomery had raised regarding this \$14,000 contract and their charges that the Redevelopment Agency did not use the services and skills of people living in area and inquired if the Agency had in regard to this particular contract provided local firms sufficient time to be considered for the contract. Mr. Mills responded that staff had been very concerned in how they selected a firm for marketing and management of the new condominium and used the approach staff had taken in Hunters Point. He also indicated staff sought only those firms with outstanding track records. Since the Agency was making a large investment in this program and staff had to be assured that investments would be protected and therefore, did not seek proposals from other firms. Mr. Arnelle inquired then that the firms Mr. Smith and Mr. Montgomery referred to did not come within the scope and standards sought, and Mr. Mills responded affirmatively, that he did not feel in a position to recommend others.

Ms. Mary Rogers indicated there is a problem with lack of opportunity for small black business to get a piece of the action and minority firms need the opportunity to get a track record possibly by a joint venture situation.

Mr. Arnelle indicated he shared Ms. Rogers concerns, but the questions is how this can be accomplished and if it can be done with this contract. Mr. Rogers indicated maybe this was not the contract, but Mr. Burger might be willing to look at some form of joint venture with a minority firm.

Mr. Mills indicated this had been done before with other contracts and it could be looked at.

Mr. Kernan indicated in reply to Mr. Bryant's opposition to the

NEW BUSINESS (continued)

Affordable Condominium Program, that the item before the Commission tonight was to approve a management firm and a subsequent meeting on September 19 would be held regarding the Affordable Condominium Program.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-82 BE ADOPTED.

- (c) Resolution No. 235-82, requests authorization of a Personal Services Contract with Economics Research Associates for the Yerba Buena Center in an amount not to exceed \$20,000.

Mr. Kernan reported on item (c) as follows. The original contract was approved in October of 1978 to conduct an economic feasibility study for the Amusement Recreation and Entertainment uses (ARE) proposed in the Central Blocks of YBC. This contract as amended totaled \$102,500 and those funds have now been spent. ERA has assisted the Agency in all aspects of the marketing and developer selection process for the ARE uses in YBC. They have analyzed the developers numerous submissions, advising the Agency of the feasibility of these proposals and they are essential to carrying out this ongoing analysis during the negotiating process. ERA will assist in evaluating the O & Y economic package as it relates to ARE uses and provide ongoing advice to the Agency regarding the finalization of the ARE/Gardens program. Based on the extensive experience with the project and in the ARE field, staff recommends approval of this Contract with ERA.

Ms. Blomquist requested a list of consultants and the amount of their contracts for Yerba Buena Center since 1978 and President Berk requested this information be sent to all Commissioners and Mr. Kernan indicated this would be done.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-82 BE ADOPTED.

Mr. Bryant inquired what a Personal Services Contract is and President Berk indicated that Mr. Kernan had already described the scope of work and the aspects of the program for YBC in his presentation. Mr. Bryant inquired about YBC's Affirmative Action program and Mr. Mills indicated he would share that information with Mr. Bryant.

- (d) Resolution No. 236-82, requests your ratification of Mr. Hamilton's travel to Washington, D.C. in the amount of \$350.00.

Mr. Kernan reported on item (d) as follows. At the request of the Mayor, Mr. Hamilton traveled with the Mayor to testify before a Congressional Subcommittee in connection with concerns about the Agency and GSA transaction in Yerba Buena Center. Although that hearing was cancelled, Mr. Hamilton was able to meet with several committee members including the Subcommittee Chair and Vice Chair

NEW BUSINESS (continued)

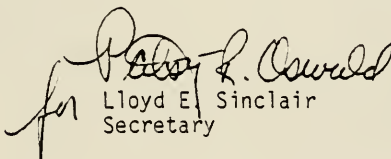
which resulted in a better understanding of Congressional concerns and he has received assurances from committee members their support for the transaction.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:32 p.m.

Respectfully submitted,


for Lloyd E. Sinclair
Secretary

APPROVED

August 10, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF AUGUST 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 10th day of August, 1982, the place and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

President Berk declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, WAPAC; Lavolia Baker, L & L Enterprises; Norman Smith, Golden Spear Construction Co., Inc.; Don Flynn, Flynn & Steurdley; Nicola Smith, Attorney, representing Goodlett Management Corp.; and Michael Willis, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of August 3, 1982, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

President Berk indicated that a request had been received from Mr. Michael Housch representing Congressman John L. Burton to speak about a proposed HUD rule change concerning deregulation of rents.

Mr. Michael Housch indicated he was a staff assistant to Representative John L. Burton and that Mr. Burton had asked him to come before the Commission to relate the contents of a letter to the Rules Docket Clerk, Office of the General Counsel of HUD. Mr. Housch read the letter which urged HUD to withdraw the proposed rule change regarding permissible rent adjustments in order to protect low and middle income earners from major rent increases.

SPECIAL APPEARANCES (cont'd.)

President Berk thanked Mr. Housch and inquired if staff had a suggested motion on this matter and Mr. Kernan responded affirmatively and noted the Commissions' folders contained staff memos on this subject; a letter to HUD Secretary Pierce from Mayor Feinstein urging suspension of the rule change until hearings have been held; and a resolution by the Board of Supervisors opposing the deregulation of rental rate controls but that the Commission had not received a copy of the motion on this matter.

In response to President Berk's request, Mr. Kernan read a suggested motion. It was moved by Mr. King and seconded by Ms. Blomquist that the proposed deregulation of rents in FHA-insured housing be suspended until Congressional hearings are held to assess the impact of the proposed rule change.

President Berk noted that the Agency had just received a letter from Assemblyman Art Agnos requesting the Agency to join in this action.

In response to Mr. Mardikians' request for clarification of the motion, Mr. Kernan indicated the motion at this point was simply to say that if there were no hearings the rule would become adopted administratively. What the Agency is requesting is that the proposed deregulation of rents be suspended until there are congressional hearings to assess the impact.

President Berk noted that if there were no hearings, the regulation would become effective on August 23rd and Mr. Kernan responded affirmatively.

President Berk called for the vote on the motion and it was unanimously passed.

REPORT OF THE EXECUTIVE DIRECTOR

- 1) Mr. Hamilton continues to be on vacation.
- 2) Seven multifamily complexes in the Western Addition Area A-2 have been issued flexible subsidy contracts for needed repairs. HUD is investing \$1,866,000 for roof repairs, exterior painting, heating and hot water system repairs, landscaping and some energy efficiency improvements. The lucky developments are Freedom West I and II; Friendship Village I and II; Martin Luther King/Marcus Garvey Square; Banneker Homes and Royal Adah Arms.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the transfer of Common Area easements (specifically including the landscaped mounds along Third Street between Burke Avenue and Galvez Avenue) within India Basin Disposition Parcels A-3, A-8, D-1 and D-2, to India Basin Maintenance Association, India Basin Industrial Park.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 237-82 requests authorization to execute an easement deed transferring certain Common Area Easements in India Basin Industrial Park to the India Basin Maintenance Association.

NEW BUSINESS (cont'd.)

Mr. Kernan reported on item (a) as follows. These easements will provide for maintaining the landscaped mounds along Third Street between Burke Avenue and Galvez. The mounds, which include the concrete entrance sign, were improved by the Agency to benefit all landowners within India Basin by creating a strong visual statement at the entrance of the Park. The India Basin Maintenance Association, incorporated on June 11, 1982, is a non-profit mutual benefit corporation with membership that entails ongoing monetary contributions to the maintenance of the Common Areas which is required of India Basin developers under their LDA's with the Agency. On June 22, 1982 the Commission authorized the Agency's membership into the Association. The Association has been developing its maintenance, administrative and membership arrangements since its incorporation in June 1982. The group is prepared to initiate Common Area maintenance on September 1, 1982. Their total annual budget as of September 1, 1982 is \$27,000; and the Agency's current annual payment is \$5,286. Staff recommends approval.

Their being no persons wishing to appear in connection with this matter, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-82 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Amendment to the Disposition Agreement of Land for Parcel 1126-F with Sacramento Street Developers, Inc., Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 238-82 requests authorization of a First Amendatory Agreement to the LDA with Sacramento Street Developers, Inc., for Parcel 1126-F located on the south side of Ellis Street between Divisadero and Broderick Streets in the Western Addition A-2 Project.

Mr. Kernan reported on item (b) as follows. On September 18, 1980 Sacramento Street Developers, Inc. (SSDI) purchased Parcel 1126-F from the Agency. The site is 4,812.5 square feet and was sold for \$24,000. SSDI acquired a building from Children's Hospital containing three flats which has been moved to Parcel 1126-F and the rehabilitation work has been essentially completed, with only approximately \$15,000 of work remaining. Mr. Al Hicks, President of SSDI, has indicated that the actual cost of rehabilitation on the three flats is considerably higher than he estimated and on that basis, has requested that the LDA be amended allowing the sale of the units. Staff has varified the developers total project rehabilitation costs of \$248,000 and finds them reasonable. For this size and type of unit, the average market monthly rental would be \$750. However, an additional \$395.00 per month for a total unit rent of \$1,145 would be needed to finance the rehabilitation costs fo \$248,000 and this is beyond a reasonable market rent. SSDI has also encountered several delays because of disputes with its general

NEW BUSINESS (cont'd.)

contractor, and although the development is almost completed, has asked for 60 days from approval of this Amendment to October 10, 1982 to complete work on the building. Staff recommends approval.

Mary Rogers of WAPAC advised the Commission that she was in support of the staff's recommendation concerning the LDA with Sacramento Street Developers. Mr. Lee asked what were the size and prices of the units to be built. Hunter Johnson, Chief of Rehabilitation, responded that two of the units will be approximately 1,600 square feet, one unit will be approximately 1,400 square feet; and each unit will contain three bedrooms and one bath, and Mr. Al Hicks, President of Sacramento Street Developers, Inc., responded that the sales prices would be approximately \$130,000 for two units and \$90,000 for the third unit.

There being no other persons wishing to appear in connection with this matter, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-82 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in the assignment of interest of Parcel 749-E by Univista Development Inc. to L & L Enterprises, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 239-82 requests approval of an assignment by Univista Development Company, Inc., a nonprofit corporation, to L & L Enterprises, a general partnership composed of Luchan G. Baker and Lavolia Baker, of all rights, title and interest of the nonprofit corporation in the Agreement for Disposition of Land and Improvements for low-to-moderate-priced private housing rehabilitation and authorization to execute any and all documents necessary to effectuate the proposed assignment, relating to a portion of Parcel 749-E in the Western Addition A-2 Project.

Mr. Kernan reported on item (c) as follows. On November 24, 1970, the Agency entered into the LDA with Univista Development, Inc., which provided for Univista's purchase and rehabilitation of Parcel 749-E, which has two separate parcels in Western Addition A-2. Pursuant to the LDA, the total purchase price of \$13,200 for both parcels was paid to the Agency when Parcel One was conveyed on December 9, 1980 for rehabilitation of a 24 unit structure. Parcel Two, which is behind Parcel One, is for open space and playground purposes, could not be conveyed to Univista at the same time as Parcel One since it was held by other parties and the Agency had not acquired clear title to it. Following Univista's rehabilitation of the low-to-moderate priced units on Parcel One, and prior to the Agency's acquisition of Parcel Two, Univista sold Parcel One to L & L Enterprises, but failed to assign its interest in the LDA, as to Parcel Two, to L & L Enterprises. Since Parcel Two Playground development has been completed by L & L Enterprises and the Agency has acquired clear title to Parcel Two, it is now in order to convey

NEW BUSINESS (cont'd.)

the parcel to L & L Enterprises, without further cost; this is a technical matter to accomplish transfer and staff recommends approval.

Their being no persons wishing to appear in connection with this matter, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-82 BE ADOPTED.

President Berk noted that she was present at the dedication of the playground named for Charles Turner which was done with a grant from L & L Enterprises and that it is a most attractive place and recommended it to all to visit.

- (d) Resolution No. 240-82, requests authorization to execute a Third Amendatory Agreement to the LDA with Goodlett Management Corporation doing business as Kimball Park Project for Parcel 707-B located on the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2 Project.

Mr. Kernan reported on item (d) as follows. On April 7, 1981 the Commission approved a resolution authorizing the Agency to enter into a LDA with Goodlett Management Corp. (GMC) for the development of Parcel 707-B. The developer plans to build 20 two-bedroom condominiums on this 23,343 square foot site. The units will be approximately 1,000 square feet each built over a parking garage. GMC has been negotiating with the International Longshoremen's and Warehousemen's Union (ILWU) for several months to provide financing. On the strength of the Union's assurances, the Agency approved extensions of the performance dates on February 9 and May 4, 1982. However, ILWU Board of Trustees did not vote for their staff's recommendation since it was the Board's position that Union funds should not be used for other than low and moderate income housing. Under the circumstances, GMC reopened its negotiations with underwriting firms for a Public Offering of tax exempt bonds; three companies have made underwriting proposals and GMC has entered into a 60 day performance schedule with American Realty Credit of Buffalo, New York. GMC has required a 90 day extension and the performance dates of the LDA would be as follows: Submission of Evidence of Financing - November 2, 1982; and Conveyance of Site/Close of Escrow - December 3, 1982. The dates are outside dates and if missed, the developer is in default. The present sales price for the site is \$134,064 and should conveyance not occur on or before October 23, 1982 the property will be reappraised. The Third Amendatory sets forth the time schedule for reappraisal. Staff recommends approval.

Reverend Amos Brown, Pastor of Third Baptist Church, stated that he was in full support of the Agency approving the Third Amendatory with Goodlett Management Corp. Reverend Brown advised that even though the Goodlett Management Corp. has not run as fast as other developers, Goodlett has been very diligent in its efforts to proceed with development.

NEW BUSINESS (cont'd.)

Ms. Blomquist indicated continued opposition to this development since this development has now been under exclusive negotiations for six years and Goodlett has still not completed negotiations while other black developers have proceeded with their development. Mr. King indicated that the Goodlett Management Corp. should be given a chance to build in the A-2 area and that developments are failing because the financial market is very bad.

Mr. Lee complimented Ms. Nicola Smith as the project manager for trying in every way to get financing and inquired if efforts in obtaining the bond under the 60-day contract should fail, does Ms. Smith have other ideas of securing the bond. Ms. Smith responded that should American Realty Credit of Buffalo, New York fail to give a definitive commitment from a purchaser during the 60 days, there is a backup agreement with A. G. Edwards that gives Goodlett 90 days to accept their commitment to put the bonds out at about the same rate as they have from American Realty Credit.

Mr. Newman inquired of Ms. Smith if the 60 day performance contract with American Realty means that they have 60 days to go out and find a buyer for the bonds and Ms. Smith responded affirmatively and that American Realty agreed to have on tap people who would accept these bonds as a private placement. Mr. Newman noted that it appeared the developer has a good chance of completing financing after many years and that Goodlett has worked diligently to try to find financing and thought it would be grossly unfair to cut the developer off when there is such an excellent possibility to finally accomplish the project.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 240-82 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
President Berk

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (e) Resolution No. 241-82, requests authorization to award audits of funds to Samuel H. Wong, Certified Public Accounting Firm in an amount not to exceed \$4,800.

NEW BUSINESS (cont'd.)

Mr. Kernan reported on item (c) as follows. These audits will cover the Hunters Point School Lease Revenue Bonds, the Moscone Convention Center Lease Revenue Bonds; and the Opera Plaza Residential Mortgage Revenue Bonds and four Residential Rehabilitation Loan Programs in Western Addition A-2. The terms of these funds require an annual audit and the audit costs will be charged against the funds. Seven firms submitted proposals, with the firm Samuel H. Wong submitting the lowest proposal. Their Statement Workforce Breakdown for Affirmative Action practices and work related references appear to be in order and staff recommends approval.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-82 BE ADOPTED.

- (f) Resolution No. 242-82, requests authorization to amend the contract with Frederiksen/Peat, Marwick, Mitchell & Company (F/PMMCo) to perform additional services in regard to the User Study and provide ongoing economic consultant services for the Cultural Plan in an amount not to exceed \$20,000 in the Yerba Buena Center Project.

Mr. Kernan reported on item (f) as follows. The purpose of the User Study is to develop projections of the expected use by art groups and audiences of each facility described in the YBC Cultural Plan. The Agency will use the data to evaluate the viability of each proposed component of the cultural facilities list and to establish priorities. The User Study is being carried out for F/PMMCo by Virginia Hubbell & Associates and the majority of functions have been accomplished. This contract amendment is necessary to cover the increased costs caused by revisions in the study's scope, necessitated by comments received from Olympia and York's cultural consultants. At the developer's request the study was held from March until the decision was made to proceed in June. During this period, costs amounting to \$13,000 resulted from continued refinement of the study and expansion of the mailing list and interviews as requested by the Technical Assistance Committee. An additional \$7,000 is necessary to continue consultant assistance during the negotiations with O & Y to refine the preliminary financial and management model submitted by F/PMMCo last February and provide services to the Agency's core negotiating team as it reviews and evaluates the developer's revised proposals for the YBC cultural program. The \$20,000 in additional costs and services will be taken from the remaining balance of \$45,000 of the initial Blyth Zellerbach grant of \$95,000. This contract amendment will complete F/PMMCo's work on the economic and facility use analysis leaving a balance of \$25,000 from the Blyth Zellerbach grant that can be used to pay for other appropriate cultural planning activities in Yerba Buena Center should they be required. Staff recommends approval.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-82 BE ADOPTED.

- (g) Resolution No. 243-82, requests approval of a Fourth Amendment to add \$15,000 to the consultant contract with Rai Y. Okamoto for urban design services for the Central Blocks of YBC.

NEW BUSINESS (cont'd.)

Mr. Kernan reported on item (g) as follows. For the past year Mr. Okamoto has participated as the liaison with the Agency for the Design Review Panel, consisting of himself, Tom Aidala, and Hideo Sasaki. That panel has participated in the discussions, studies and deliberations necessary to enable the Agency to review the master plan for YBC's Central Blocks as proposed by O&Y. In addition to assisting the Agency in reviewing the plans and design Mr. Okamoto has provided specialized design comments on issues such as East Block 2 and the Taylor-Woodrow development. Mr. Okamoto's services recently have focused on the need to analyze the design implications of the developer's proposals. Staff believes Mr. Okamoto's services in providing design analysis are necessary through the execution of the Land Disposition Agreement for the YBC Central Blocks and recommends approval of this \$15,000 amendment which would increase Mr. Okamoto's contract to a total of approximately \$44,000.

Mr. Newman inquired if Messrs. Aidala and Sasaki were still involved and working on the Review Panel and Mr. Kernan responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-82 BE ADOPTED.

- (h) Resolution No. 244-82, requests approval of a First Amendment to Agreement for Legal Services with the law firm of McDonough, Holland & Allen which increases the maximum amount payment by \$50,000 in connection with the Yerba Buena Center Project.

Mr. Kernan reported on item (h) as follows. Since October of 1981, Joseph E. Coomes, Jr., partner, of the McDonough, Holland & Allen law firm has been providing excellent service to the Agency under this contract. Mr. Coomes has demonstrated the capacity and flexibility to respond to the Agency's need for expert legal input in connection with the core negotiating team for the Central Blocks development in Yerba Buena Center. Mr. Coomes' services have also included successfully concluding the GSA negotiations. Because of Mr. Coomes' experience and expertise in the areas of tax allocation financing, mixed-use development and redevelopment law, Mr. Coomes' services are crucial to the Agency's negotiation efforts with the developer. The original contract amount of \$65,000 is almost totally expended and the requested additional funding will provide payment for both current and future billings. Staff finds the firm's affirmative action program acceptable and recommends approval.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-82 BE ADOPTED.

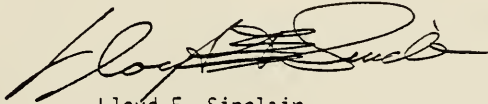
- (i) A Workshop on the HOUSING COST AND FINANCING REPORT prepared by Questor Associates for the Rincon Point-South Beach Redevelopment Project Area.

Mr. Kernan summarized the report and Mr. Joe Simmons, Vice President of Questor Associates expanded on Questor's findings and responded to questions from the Commissioners during the Workshop.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m. to a Closed Session on Personnel.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

August 24, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF AUGUST 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:10 o'clock p.m. on the 17th day of August, 1982, the place and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnelle
- Dian Blomquist
- Leroy King
- Haig Mardikian
- Walter S. Newman

and the following was absent:

None

President Berk declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were David Levinson, Levinson Bros.; Donna Pittman, Environmental Science Associates, Inc.; Amancio Ergina, Yerba Buena Foundation; Norman Smith, Golden Spear Co.; Nesbitt Crutchfield, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); and Roslyn Baltimore, Eddy Place Associates.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in an Agreement for Disposition of Land and Improvements for rehabilitation of Parcel 687-C; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 245-82 authorizing execution of an Agreement for Disposition of Land and Improvements for Private Rehabilitation with Sumiko Jones for the purchase and rehabilitation of 1695-97 Sutter Street in the Western Addition A-2 Project.

Mr. Hamilton reported on item (a) as follows. Ms. Sumiko Jones, a residential certificate holder, wishes to repurchase and rehabilitate her former residence at 1695-97 Sutter Street which is

NEW BUSINESS (continued)

a two-story Italianate Victorian built in 1875 and located at the southeast corner of Sutter and Laguna Streets. On May 25, 1982, Exclusive Negotiations were authorized with Sumiko Jones with a condition that the developer submit an Affirmative Action Program, Evidence of Equity Capital and Schematic Architectural Plans outlining capacity to undertake the repurchase and rehabilitation. These requirements have now been met. Ms. Jones has submitted evidence of ability to complete the work and is now prepared to enter into a Disposition Agreement prior to conveyance of the Site. The building is currently a mixed-use structure consisting of a residential unit at the second floor with a commercial space at the ground floor. In order to conform to the Western Addition A-2 Plan, a requirement of the repurchase is to remove the commercial ground floor space and return the building to residential. The rehabilitation plans have been approved by staff and the work is estimated to cost approximately \$140,000. The Schedule of Performance within the LDA is as follows: Submission of Final Rehab Construction Documents, November 1, 1982; Submission of Evidence of Financing, January 29, 1983; and Conveyance of Site/Close of Escrow, no later than March 8, 1983. WAPAC has reviewed the Developer's proposal and has concurred with the repurchase and rehabilitation.

Mr. Nesbitt Crutchfield, Rehabilitation and Housing Specialist, with WAPAC affirmed WAPAC's support for adoption of this item. President Berk extended best wishes to Mrs. Jones.

There being no further persons wishing to appear in connection with this matter, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-82 BE ADOPTED.

- (b) Resolution No. 246-82, requests authorization to execute a Professional Services Contract with Environmental Science Associates, Inc. to provide an Environmental Evaluation of a series of Redevelopment Plan Amendments in connection with the Rincon Point-South Beach Project.

Mr. Hamilton reported on item (b) as follows. As a result of the Feasibility Report for the Small Boat Harbor and Park, discussions with several owner/developers, and the Housing Cost and Financing Report, staff believes clarification and/or amendment to the Rincon Point-South Beach Redevelopment Plan may be advisable. Possible amendments to the Plan are as follows: (1) Permitting additional boat slips (approximately 700) in the Small Boat Harbor; (2) Permitting restaurant and small scale offices on Pier 40; (3) Permitting ground floor retail commercial uses to be developed in conjunction with the residential developments; and (4) Permitting the Commission to grant a housing density bonus in relation to the height limit in return for the developer agreeing to provide a reasonable level of low- and moderate-income housing. Prior to the Plan amendment, the Final EIR/S, certificated in 1980, must be

NEW BUSINESS (continued)

analyzed to determine if that document adequately assesses the environmental effects of the proposed amendments, or/and if a supplemental EIR/S is required. Staff is of the opinion that the analysis of the Final EIR/S would be best conducted by Environmental Science Associates, the authors of the original document. Discussions with the consultant have arrived at a negotiated scope of work to be completed in 30 calendar days for an amount not to exceed \$7,500. This work is critical to the advancement of this project and staff recommends approval.

Ms. Blomquist requested a definition of the related height limit bonus. Mr. Cannizzaro responded that, as identified in the housing costs and financing report that was reviewed last week, granting a housing density bonus could help reduce the cost of housing. And, for instance, if a 15% housing density bonus was established, a concurrent 15% height bonus should be considered. Ms. Blomquist indicated that the housing density bonus is fine, but her concern was really with the height limit bonus, as applied to the 40 foot level, as there is a reason the City has a 40 foot height limit around the waterfront area that the 40 foot limit should be saved and no precedent struck by the Agency that would exceed that limit.

Mr. Cannizzaro explained that the proposed height limit bonus would not apply to any sites that have a 40 foot height limit and those would be primarily the Port properties that are adjacent to the Embarcadero. The bonus would apply to those sites which have a height limit of more than 40 feet. He also indicated the Commission would have to approve any density or height bonus.

Ms. Blomquist indicated reluctance to continue paying for more environmental studies in the future and asked if all alternatives were now being explored and Mr. Cannizzaro responded that all alternatives were being explored but that depending upon the results of this study there might or might not be a change in the Plan and EIR/S.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-82 BE ADOPTED.

- (c) Resolution No. 247-82, requests authorization of Demolition and Site Clearance Contract No. 80 to Jung Kin Corporation for two Agency properties located in the Western Addition A-2 Project.

Mr. Hamilton reported on item (c) as follows. The contract provides for demolition and clearance of two properties: the first is a service station located at 701 Turk Street (northeast corner of Turk Street and Van Ness) which is a portion of the site scheduled for conveyance to Vanguard-Donsdale on November 12, 1982. This site's current tenant, Fred and Joe's Alliance, has verbally agreed to vacate by August 31, 1982. The second site, a single-story wood-frame addition to an existing three-story building is located at 2075-2089 Sutter Street and is currently occupied by C & H Upholstery. This site is scheduled for conveyance to Roosevelt and

NEW BUSINESS (continued)

Altheda Carrie no later than September 24, 1982, and the Agency will be serving an unlawful detainer to the occupant so that clearance of the site can proceed on schedule. Six contractors submitted bids, with Jung Kin Corporation as low bidder at \$15,775.00. This Corporation is located at 1035 Underwood Avenue in San Francisco and has not done any work for the Agency, but has completed similar work for the City. Staff has been assured upon checking the references this firm performs satisfactory work, and has also determined that Jung Kin Corporation's Affirmative Action and Safety Programs are acceptable. Staff recommends approval.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-82 BE ADOPTED.

- (d) Resolution No. 248-82, requests authorization to extend the performance schedule for the development by Jones Senior Homes, Inc. of Parcel 683-E for approximately 6 months, in the Western Addition A-2 project.

Mr. Hamilton reported on item (d) as follows. On March 9, 1982, the Agency entered into an LDA with Jones Memorial Homes for the development of Parcel 683-E located on the northwest corner of Fillmore and Post Streets. The developer proposes to construct 51 units of elderly housing with approximately 5,000 square feet of commercial space. The development is dependent on HUD's Section 202 Direct Loan Financing Program and on Section 8 monies and the Federal Administration has moved to reduce and eliminate public participation in the production of housing for low-to-moderate households. However, on March 4, 1982 HUD granted the developer six months extension until September 30, 1982 for initial endorsement and conveyance. HUD establishes construction cost limits, and notified the developer that its project exceeded per unit cost ceilings and stopped processing until costs could be brought within HUD ceilings through redesign or sufficient funds found to bridge the gap. On June 15, 1982, Resolution No. 186-82 authorized making approximately \$500,000 available to the Developer, as an advance to be reimbursed by the City from 1983 CDBG funds, to close the financing gap. Accordingly, the Developer has submitted final construction documents to the Agency and filed a building permit application which will take about four to six months to obtain. Therefore, the Developer has requested extension of the LDA Performance Schedule as follows: Submission of Evidence of Financing, February 9, 1983; Conveyance of Site/Close of Escrow, March 9, 1983; and Commencement of Construction, April 9, 1983. These dates are within HUD's extension period and are outside dates. Staff believes that every effort should be made to help Jones Memorial so that the 51 units of low-income housing are not lost to the Western Addition and recommends approval.

Ms. Blomquist requested clarification on the reappraisal for commercial space and Mr. Gene Suttle, Area Director,

NEW BUSINESS (continued)

Western Addition A-2, responded that residential land was appraised at \$500 per unit but this could not apply to the commercial space, therefore a new appraisal was needed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-82 BE ADOPTED.

- (e) Resolution No. 249-82, requests authorization to extend Exclusive Negotiations with Yerba Buena Foundation for Parcel 728-A, E and J located on the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2 Project. The extension is for 90 days until November 17, 1982.

Mr. Hamilton reported on item (e) as follows. On May 18, 1982, authorization was granted for an extension to August 17, 1982 of Exclusive Negotiations with the Foundation, sponsor of Amancio Ergina Village Cooperative, Inc. On July 27, 1982, execution of an agreement was authorized with Amancio Ergina Village under which the Agency would make certain loan fees available to the cooperative in connection with mortgage financing through the City's 1982 Single Family Mortgage Revenue Bond Program for construction of 72 units of cooperative family housing. As a companion to those actions the Foundation has requested extension of its Exclusive Negotiation rights to permit time for financing to be worked out.

Ms. Blomquist noted that she had requested and received an operating statement from staff and inquired if a management firm had been identified. Mr. Amancio Ergina, President of the Yerba Buena Foundation, responded negatively.

Mr. Lee asked if Mr. Ergina had talked to any management firms yet, and Mr. Ergina answered negatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-82 BE ADOPTED.

- (f) Resolution No. 250-82, requests authorization of a 60 day extension of Exclusive Negotiations between the Agency and James J. Doherty for the purchase and rehabilitation of 1329 Pierce Street, Disposition Parcel 728-E located on the westerly side of Pierce Street between Ellis and O'Farrell Streets in the Western Addition A-2 Project.

Mr. Hamilton reported on item (f) as follows. On June 15, 1982 the Commission approved exclusive negotiations with James Doherty based on his proposal to purchase and rehabilitate 1329 Pierce Street as seven moderately priced condominium units. Mr. Doherty has submitted and staff has approved an Affirmative Action Program; Evidence of Equity Capital; and Architectural Schematic Plans as required by the exclusive negotiations. Staff has proceeded with the development of provisions included in the disposition agreement. The sixty-day extension will allow time for review of these provisions by staff

NEW BUSINESS (continued)

with WAPAC and Mr. Doherty, upon his return from vacation on August 23; and provide for the required public hearing notices in conjunction with this.

President Berk noted that the developer was not present. Hunter Johnson, Chief of Rehabilitation, stated that representatives from Mr. Doherty's firm were in the audience to respond to any questions from the Commission.

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), asked that this item be held for one week. She indicated that she received a copy of an affirmative action program this afternoon which was not very legible. She indicated that the program was not in conformity with affirmative action goals since no time schedule for hiring was included. She indicated that a clarification was needed to avoid problems in the future.

Mr. Hamilton indicated concern about these issues and that the extension would provide time to resolve them. President Berk noted that this item was technically a regranteeing rather than a granting of Exclusive Negotiations.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-82 BE ADOPTED.

- (g) Resolution No. 251-82, requests authorization to execute a First Amendatory Agreement to the LDA with Eddy Street Associates which would extend the Performances dates for approximately 90 days; Western Addition A-2 Project.

Mr. Hamilton reported on item (g) as follows. On September 22, 1981, the Commission approved the execution of an LDA with Eddy Place Associates for Parcel 743-A, a 6,870 square foot site. The Developer proposed to develop 10,000 square feet of office space and four residential condominiums. The Developer intends to use Industrial Development Bonds to finance the commercial part of the development, and because the size of the development is small, the bonds must be privately placed, rather than publicly offered. However, to date, Eddy Place has been unsuccessful in finding interested IDB buyers. The four residential units will be conventionally financed. If the First Amendatory is approved, the new performance dates would be as follows: Submission of Evidence of Financing, October 22, 1982; and Conveyance/Close of Escrow, December 24, 1982. Staff has analyzed the status of the development; believes the Developer is proceeding expeditiously to obtain financing and recommends approval of the requested 90 day extension.

Mr. Lee asked about the size of the units and Ms. Roslyn Baltimore, the developer, responded that there were two 2-bedroom and two 3-bedroom units.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-82 BE ADOPTED.

NEW BUSINESS (continued) :

- (h) Resolution No. 252-82, requests authorization to enter into an Owner Participation Agreement with Evans-Pacific Corporation, Richard M. Bastoni, Darla Evans Bastoni, and George L. Denney for property located at 1405 and 1409 Sutter Street in the Western Addition A-2 Project.

Mr. Hamilton reported on item (h) as follows. The Evans-Pacific property contains two separate buildings: a four-story Victorian currently occupied by the owners as their commercial office space and a two-story wood frame structure that is vacant. The owners began rehabilitation in 1979 and work has proceeded when funds were available to do so. They did not execute an OPA prior to beginning work, but since they have always been cooperative in carrying out work in conformance with the Agency's rehabilitation standards and City building codes, staff is certain that they will conform to all Agency policies. The scope of rehabilitation for the four-story Victorian includes the installation of a new elevator, new roof, interior upgrading of the plumbing, electrical and mechanical work, and lowering of exterior grade to accommodate entry by handicapped persons. Eighty percent of the work has been completed in this building. The auxiliary structure's rehabilitation includes the upgrading of the plumbing and electrical work, repairs to the windows and painting and patching of the deteriorated interior and exterior walls. All rehabilitation will conform to Western Addition A-2 standards and the Bureau of Building Inspection building codes, and has been estimated at approximately \$800,000 for both buildings, which cost will be privately financed by the owners.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-82 BE ADOPTED.

- (i) Resolution No. 253-82, requests authorization to contract with Coopers and Lybrand, a certified public accounting firm to perform auditing services in connection with the Agency's Minority Business Enterprise (MBE) Program in the India Basin Industrial Park Project.

Mr. Hamilton reported on item (i) as follows. The San Francisco Criminal Grand Jury recently issued a Special Report that was critical of the Agency's administration of the Minority Business Program, particularly in connection with the India Basin Industrial Park General Mail and Vehicle Maintenance Facility construction by the U. S. Postal Service. Therefore, it is desirable and necessary to have an outside consultant utilized to critique all aspects of the operation of MBE activities both regarding the Postal Facility and to provide a written report to the Commission. Coopers and Lybrand is a well-recognized auditing service and has performed similar duties for other agencies in the City. The work under this contract is to be completed by the end of September 1982, and the cost will not exceed \$19,500. Staff recommends approval.

Mrs. Rogers indicated that the firm was out of compliance with the affirmative action program. She indicated that of 310 staff people at the firm, only 42 were minorities, including women.

NEW BUSINESS (continued)

Mr. Mills commented that the figures shown on the firm's affirmative action worksheet indicated a staff of 310, 54 of which are minorities and 115 women. He indicated that it is staff's practice to only implement specific affirmative goals for professional consultants when the proposed contract exceeds \$30,000.

Mr. Norman Smith, Golden Spear Co., inquired whether the firm was selected by staff or the Commission. President Berk responded that the firm was selected by the Commission with the assistance of staff. Mr. Smith indicated that according to Title 24, staff should not have had anything to do with the selection. President Berk responded that staff made contact with firms selected by the Commission. Mrs. Rogers requested material regarding affirmative action goals for consultants and attorneys. Mr. Hamilton indicated that material would be provided to Mrs. Rogers.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-82 BE ADOPTED.

- (j) Resolution No. 254-82, requests authorization to pay insurance premium of \$3,075 for Personal Injury Liability Insurance with National Union Fire Insurance Company through our insurance broker Levinson Brothers, Inc.

Mr. Hamilton reported on item (j) as follows. In 1981 the Project Liability Insurance policy was amended to include for the first time Personal Injury Liability Insurance of \$1,000,000. When this policy was renewed in April, we overlooked including this coverage which would protect the Agency, its officers and employees from legal obligation resulting out of offenses including false arrest, libel, slander, etc. committed or alleged to be committed in the conduct of Agency business. We have obtained quotes from two insurance brokers, and Levinson Brothers was the lower at \$5,500 a year with no deductible which results in a prorated premium of \$3,075 for the period July 12, 1982 to February 1, 1983.

Mr. Newman indicated he would abstain from voting on this item since he holds an insurance license with this firm.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 254-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Ms. Berk

NEW BUSINESS (continued) :

AND THE FOLLOWING VOTED "NAY":

None

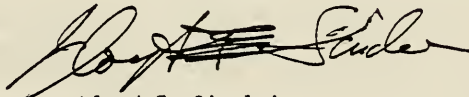
AND THE FOLLOWING ABSTAINED:

Mr. Newman

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m. to a closed session on personnel.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", with a stylized flourish at the end.

Lloyd E. Sinclair
Secretary

APPROVED

September 14, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF AUGUST 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 24th day of August, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Leroy King
Walter S. Newman

and the following was absent:

H. Jesse Arnelle (arrived at 4:30 p.m.)
Dian Blomquist
Haig Mardikian (arrived at 4:20 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Margaret Brady, Parking Authority; and Joseph Skiffer, Bob Meyers, David Cincotta and Roy Chew, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of August 10, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) There will be no Regular Agency Meeting on Tuesday, September 7.
- (b) The Flynn Center "topping out" was held today at 3:30 p.m.
- (c) The Board of Supervisors at its meeting yesterday unanimously passed an ordinance for second reading amending the Administrative Code to extend the application of the City's Residential Rent Stabilization and Arbitration Ordinance to certain units whose rents are now regulated and proposed to be deregulated by HUD. On August 10th this Commission adopted a motion calling for the suspension of the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

proposed HUD rule on deregulation of rents until Congressional hearings are held to assess the impact.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Land Disposition Agreement with Roy, Joyce, Jeanette, Evelyn and Lisa Chew for purchase and rehabilitation of Parcel 688-C(2), 1400 Post Street, Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. It is requested that the public hearing and action on this item be continued for one week to August 31. It is staff's intention to bring this to the Commission when information necessary to make a recommendation with respect to property valuation is complete, which is expected next week. Based on information Executive Staff received today there are still some areas not yet clear including: the applicable appraisal price; the rehabilitation standards to be applied; and the affect of these on the purchase price that would be recommended to the Commission. It is therefore suggested that this matter be held for one week so that matters can be cleared up and a recommendation which is supported by information can be made.

Mr. Hunter Johnson, Chief of Rehabilitation, indicated that in addition to those areas Mr. Hamilton noted a continuance would provide time to more fully document the very finely balanced set of financing and rehabilitation arrangements with Mr. Chew's proposed contractor.

Mr. Roy Chew indicated his opposition to delaying this item any longer as he had been waiting to repurchase this property since 1975 and he is ready to start rehabilitation of the property.

Ms. Mary Rogers, WAPAC, opposed continuing this item and indicated there was no reason to delay or to increase the price of this property.

Mr. Hamilton indicated that information received had just been seen by the Executive staff today concerning specific rehabilitation work items needed and more time was needed to assure a scope of work sufficient to create a building up to City Codes and Agency Standards. Mr. Hamilton also indicated his support of returning the building to Mr. Chew as the original owner, but wanted to be sure that it is under terms and conditions which are not only financially manageable by Mr. Chew, but also provides him a good end product.

Mr. Arnette arrived at this time, 4:30 p.m.

Ms. Rogers indicated her concern that the longer the delay the higher the property price would be and Mr. Hamilton indicated that as he had already told Ms. Rogers today, there would be no reappraisal of the property of the nature that is occasioned by the automatic 18-month provision with HUD.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item would be continued for one week to August 31 at staff request. There being no objection it was so ordered.

President Berk indicated that Commission and staff shared Ms. Roger's sentiment about returning property to previous owners and that assurance has been given that it is not a question of any HUD reappraisal or any time point on price, but the fact that all of the information was not available.

Mr. Lee indicated he had no objection to continuing this item for one week, however, he requested to know if Mr. Johnson had the exact date of the appraisal and Mr. Johnson indicated affirmatively. Mr. Lee inquired if all the information and documentation would be available for the next meeting and Mr. Hamilton indicated affirmatively.

Mr. Mary Rogers, WAPAC, opposed continuing this item and indicated there was no reason to delay or to increase the price of this property.

- (b) Public hearing to hear all persons interested in the need to aggregate Lots 18 and 24 in Block 3774, Rincon Point-South Beach.

Resolution No. 256-82 requests reconsideration of the need to aggregate, for development purposes, Lots 18 and 24, Block 3774 (Development Site G) bounded by Brannan, First and Federal Streets in the Rincon Point-South Beach Project.

President Berk opened the public hearing to hear all persons interested in this matter and indicated that this public hearing is for reconsideration of the need to aggregate Lots 18 and 24, Assessors Block 3774 in the Rincon Point - South Beach Redevelopment Project. The process for today involves (1) a description of purpose by Mr. Hamilton, (2) background information and presentation of staff recommendation by Mr. David Stoloff, Business Development Specialist and (3) public comment on the subject. Following the public comment, the public hearing will be closed and the commission will reconsider action of parcel aggregation. President Berk then requested Mr. Hamilton describe the purpose of this hearing.

Mr. Hamilton indicated that the Agency's Owner Participation Rules, last adopted on December 16, 1980 under Resolution No. 409-80, indicate that "certain individual parcels of real property within the Project Area must be aggregated to form parcels of adequate size and shape to accomplish the purposes of, and conform to, the Redevelopment Plan." Rule B-2 goes on to state that "parcels to be aggregated will be determined by the Agency Commission after a noticed public hearing." The purpose of this public hearing is to reconsider the need to aggregate Lots 18 and 24, pursuant to the Owner Participation Rules for the Project. Mr. Stoloff will provide you with a summary of the background, technical evaluation and staff

NEW BUSINESS (continued)

recommendation for this matter.

Mr. Stoloff provided the following summary. In April 1981, the Agency Commission authorized the consultant firm of ROMA Architecture and Urban Design to undertake a study to address the need to aggregate for development purposes various parcels within the Project area to achieve the purpose and intent of the Redevelopment Plan. In June 1981, the consultant firm completed its report, entitled Parcel Aggregation study and presented it during the public hearing on parcel aggregation held by the Agency Commission on June 30, 1981 and continued on July 14, 1981. At the close of the public hearing, the Commission approved a resolution which required the aggregation of various parcels including the subject property in order to accomplish the purpose of the Rincon Point - South Beach Redevelopment Plan. At that time, it was determined that aggregation will provide improved flexibility in site layout and in the massing of structures, and allow for better residential utilization of Lot 18".

Since approving the aggregation requirement, Gallo Salame Division, Consolidated Foods, Inc., the owner of Lot 24, and the abutting industrial use on property west of both Lots 18 and 24, requested the designation of a portion of the aggregated Site G for light industrial use and expansion. The Commission approved this request on June 10, 1982.

Inasmuch as the approval of Gallo's partial industrial use of Site G changes the amount of land available for housing and the location of land uses on the site, and since the prior aggregation requirement was based on an analysis which assumed that the entire Development Site G would be available for housing, it is staff's opinion that the Commission should reconsider the aggregation issue.

To facilitate the reconsideration of aggregation, staff has conducted an analysis of Development Site G under the current land use designation. The designation provides that approximately 29,775 square feet of the site be used for light industry and approximately 66,090 square feet be used for residential. Analysis focused on the portion of the site designated for residential use and examined the potential impact of aggregation on the following development factors: (1) number of dwelling units that could be developed; (2) site design and function; (3) parking location and access; and (4) solar access.

As in the earlier evaluation of Development Site G, it was found that aggregation substantially improves the quality of development that can be achieved. While maximum permitted development densities of 110 dwelling units to the acre could be achieved on both parcels either aggregated or non-aggregated, the non-aggregated development of Lot 18 would be likely to result in a poor configuration of housing and parking. Alternatively, the aggregation of the two parcels would permit the taller design elements to be placed on the

NWE BUSINESS (continued)

northerly and westerly edges of the site, which would maximize views and solar access. Aggregation would also enable the most appropriate massing of structures on the development site, which would be most advantageously developed if the greater building bulks were placed on Lot 18 and lower buildings and a concentration of open space on Lot 24. Aggregation would permit the design of multi-level parking on Lot 18 alone.

In summary, requirement of aggregation of parcels within Development Site G would result in improved use of the site in terms of better housing design, maximization of views and solar access, and efficiency of parking layout, and better overall functioning of the development; and staff recommends that the Lots 18 and 24, Assessors Block 3774 be aggregated.

There being no persons wishing to appear in connection with the matter, President Berk asked for a motion to close the public hearing.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE PUBLIC HEARING BE CLOSED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-82 BE ADOPTED.

- (c) Resolution No. 257-82 requests authorization to rescind Resolution No. 325-79 which authorized notice to the Public Employee's Retirement System (PERS) of the Agency's intent to terminate Social Security coverage for Agency employees.

Mr. Hamilton reported on item (c) as follows. On December 4, 1979 Resolution No. 325-79 was adopted with an effective date of December 31, 1981 for termination of the Agency's Social Security Agreement. On September 22, 1981 the Agency adopted Resolution No. 357-81 which extended the termination date by one year of the Social Security Agreement through December 31, 1982. The Agency's benefit consultant on withdrawal, William M. Mercer, Inc. and Agency Staff conducted two phases of a Social Security withdrawal study. Staff's recommendation to conduct the third phase of the study on employee education prior to employee vote on withdrawal was turned down by the Commission on July 13, 1982. Therefore, Staff recommends that the Agency's notice of intent to withdraw from Social Security be withdrawn, so as to rescind the original Resolution No. 325-79 which gave the notice to PERS of the Agency's intent to withdraw.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-82 BE ADOPTED.

- (d) Resolution No. 258-82 requests approval to directly negotiate the sale of seven sites in Hunters Point.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (d) as follows. Of the twenty-eight parcels designated for residential use in the inventory of remaining land in Hunters Point there are twenty under Land Disposition Agreements and eight with no designated developer. Of these eight sites, staff is requesting to directly negotiate sale of seven parcels. The disposition of the eighth parcel is not included with the seven since a separate study will be done considering this site and two contiguous sites as a multi-use site. This parcel is now multi-family and the other two are designated as commercial, religious, and elderly. Staff has reviewed responses to the residential development public offering programs and has determined that the vast majority of the developers who could successfully build and sell market-rate residential housing are apprehensive about the following high risk factors associated with investing in real estate in general and in investing in Hunters Point: (1) the slow economy; (2) the inability of most households willing to purchase in Hunters Point to qualify without the aid of some form of mortgage subsidy program; and (3) the prospective developer's concern about the perceived safety conditions in Hunters Point. When proposals on the seven sites are finalized by the developers, found acceptable by staff, and reviewed by the Joint Housing Committee, they will be forwarded to the Commission for consideration of exclusive negotiating rights.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-82 BE ADOPTED.

- (e) Resolution No. 259-82 requests an extension of Exclusive Negotiations with the Parking Authority for the development of Parcel 3735-D located on the northwest corner of Third and Clementina Streets; and
- (f) Resolution No. 260-82 requests an extension of Exclusive Negotiations with Forest City Dillon, Inc. for the development of housing Parcel Air Rights on Parcel 3735-D in the Yerba Buena Center.

Mr. Hamilton reported on items (e) and (f) as follows. On October 6, 1981 the Commission authorized Exclusive Negotiations with the Parking Authority (PA) for development of a public parking garage and at the same time Exclusive Negotiations with Forest City Dillon, Inc. (FCD) for development of approximately 122 units of housing in the air rights above the public parking garage. Since then, these Exclusive Negotiations have been extended and are now scheduled to expire today for FCD and on August 31, 1982 for the PA. Since the last extensions were granted, the Parking Authority has complete all design work for two separate projects; a public parking garage, and a public parking garage sufficiently reinforced to accommodate a building platform for development of housing in the air rights above it. A potential cost difference of \$1.8 million between the two projects will have to be posted by FCD to insure that PA does not incur any additional expenses for the

NEW BUSINESS (continued)

housing elements during the construction period of the garage. The actual cost differential will not be determined until construction bids are opened on October 7, 1982 and the contract awarded. The original resolution granting Exclusive Negotiations with FCD anticipated that when construction cost estimates were finalized FCD would have a ten day period in which to decide whether or not to go forward, and then would have been required to deposit a letter of credit covering additional costs for the garage with housing with the Agency. However, the \$1.8 million is more than double the original estimate (\$700,000). Therefore, staff recommends that portion of the original resolution be amended to require FCD to expend actual cash funds represented by the difference between the actual bids for the two proposals. This proposal is acceptable to the Parking Authority. Approval of both extensions of Exclusive Negotiations is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-82 BE ADOPTED.

Mr. Mardikian indicated that he would abstain from voting on this item because he may have a possible conflict of interest as a result of an association with one of the participants on another project.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN THAT RESOLUTION NO. 260-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Lee
Mr. Arnelle
Mr. King
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

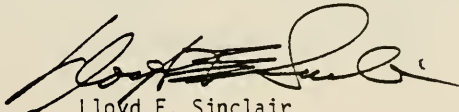
Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF AUGUST 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of August, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

Charlotte Berk, President

Acting President Lee declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Rogers, Joint Housing Committee; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Roy Chew and Eileen Henriques, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Wilbur Hamilton, Executive Director, is on vacation and will return to the office on September 13.
- (b) There will be no Regular Agency Meeting next Tuesday, September 7, 1982.
- (c) On July 6 the Commission approved an Agency budget for 1983 at a level of \$11 Million of which \$6.6 Million was requested from the City's 1983 CDBG. In your folders is a copy of a letter advising us of the Mayor's Preliminary Proposals for the 1983 CDBG Program.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the Land

UNFINISHED BUSINESS (continued)

Disposition Agreement with Roy, Joyce, Jeanette, Evelyn and Lisa Chew for purchase and rehabilitation of Parcel 688-C(2), 1400 Post Street, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in this matter.

Resolution No. 255-82, authorizing a Land Disposition Agreement for Private Rehabilitation with Roy, Joyce, Jeanette, Evelyn and Lisa Chew for Parcel 688-C(2) located at 1400 Post Street, approving the Disposition Value and ratifying the publication of Notice of Public hearing.

Mr. Kernan reported on item (a) as follows. This public hearing was continued from the meeting of August 24, 1982, to allow the resolution of several questions regarding costs and permitted uses. These questions cannot be resolved without a reappraisal which has been requested but will not be ready until the meeting of September 14, 1982. Staff therefore requests that this item be continued to that time. Also the commercial space of slightly in excess of 1,000 square feet does not strictly comply with the Redevelopment Plan for a RH Zone and staff will recommend a variance for your consideration at a future Agency meeting.

Mr. Roy Chew indicated his opposition to continuing this item and indicated that the property should not be reappraised as he felt he should pay the same price as the Agency had paid him for the property.

Ms. Mary Rogers, WAPAC, indicated her opposition to continuing this item and stated that Mr. Hamilton had indicated there would be no increase in price or a reappraisal and there was no reason to delay approving this item.

Mr. King indicated that it was his understanding this property would not be reappraised and he did not understand why this item was being held up. It was his belief that the problem was with the rehabilitation cost and not the price of the property.

Mr. Kernan explained the process required at arriving at a fair value for the property and the tests that must be met. Since Mr. Chew is doing less of a rehabilitation than expected he does not meet those tests and that was why a reappraisal was requested to take into account the reduced level of rehabilitation work Mr. Chew would be doing which might reduce the after rehab value.

Ms. Blomquist indicated that this has gone on for a long time and other owners had repurchased their building for the same price as sold to the Agency. Mr. Kernan responded that it is a requirement and that the owners did in fact do a substantial level of rehabilitation and the after value minus the rehabilitation was less than the original purchase price. It is felt that using a

UNFINISHED BUSINESS (continued)

hypothetical rehabilitation, which Mr. Chew is not going to accomplish, is not an appropriate way to have a fair value of the property and a new appraisal is in order. However, this would not have to be done if Mr. Chew was going to do the level of work originally contemplated and so it is staff's efforts to accommodate Mr. Chew's desires and his ability to pay for it that has occasioned this change.

Mr. Newman requested legal counsel's opinion if the Commission takes this matter into their own hands. Mr. Leo Borregard, General Counsel, indicated that he believed Mr. Kernan was saying, in the opinion of staff, that staff must look at three dollar sums according to the HUD rule, however staff only has two of them. The third would make certain the original purchase price is more than the fair value of the property. If the Commission believes that the \$55,000 was the fair reuse value and is sustained enough in its belief then it certainly, in his judgment, would be an appropriate action. However, it is his concern, as a lawyer, whether the Commission has all of the facts sufficient to make a determination and though HUD may not overturn this decision they certainly could make an audit exception on it.

Mr. Mardikian inquired what happens if there is an audit exception and Mr. Borregard indicated HUD could void the purchase price. Mr. Mardikian inquired who would pay the difference and Mr. Borregard indicated the Agency would pay the difference.

Mr. Kernan reminded the Commission that a variance would be needed for this property for the commercial use.

There being no further persons wishing to speak regarding this matter, Acting President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-82 BE ADOPTED SUBJECT TO A VARIANCE.

NEW BUSINESS

- (a) Resolution No. 261-82, requests authorization of a rental agreement with Metropolitan Parking Corporation for the purpose of operating a public parking lot. This agreement would cover the entire frontage of Mission Street between Third and Fourth Streets in Central Block 2 in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. To best determine market demand for the site, staff advertised for two bids: one bid was for Parcel #1, which is for the entire southern half of the block including the parcel now occupied by California Parking; and the second bid was for Parcel #2, which is the portion of the southern half of the block not occupied by California Parking. Four firms submitted bids for the larger Parcel #1 with Metropolitan

NEW BUSINESS (continued)

Parking Corporation the high bidder at \$26,507.04 per month. Two firms submitted bids for Parcel #2, the portion not occupied by California Parking and Metropolitan was also the high bidder at \$12,360.95. Staff is recommending that the high bid from Metropolitan for Parcel #1 be accepted since it will provide the Agency with more monthly income.

Metropolitan will make all required improvements with the cost to be prorated for a 12 month period and should the tenancy be terminated by the Agency in less than one year, a proportionate payment will be returned to Metropolitan. Approval of this rental agreement is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-82 BE ADOPTED.

- (b) Resolution No. 262-82, requests authorization to re-enter Exclusive Negotiations for 60 days with Benjamin Smith, Sr., a residential certificate holder, for purchase and rehabilitation of 1335 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (b) as follows. Exclusive Negotiations were authorized with Mr. Benjamin Smith, Sr., a former owner of 1335 Pierce Street, on June 1 for 90 days to August 30. During this time, the developer submitted and staff approved the Affirmative Action Program and evidence of equity capital. However, the schematic plans submitted included two residential units rather than the existing one residential unit and his plans were returned with a request that modifications or provisions be made to assure the submitted plans comply with the Redevelopment Plan. The additional 60 days will allow the developer sufficient time to make appropriate adjustments to his schematic plans and approval is recommended.

Ms. Eileen Henriques indicated opposition to the constant extensions of exclusive negotiations in general as she was concerned about the vacant lots and boarded up buildings in that area.

Ms. Mary Rogers, WAPAC, indicated support of this extension.

Mr. Arnelle indicated that Ms. Henriques should not go unheard, because what she is expressing in part has to do with the quality of life and the security and safety in the neighborhood when buildings are left boarded up. He is concerned when this Commission continues to extend exclusive negotiations beyond a reasonable time and that the Commission should consider the ramifications of decisions to extend. However, he did not feel at this point that denying these exclusive negotiations was an appropriate position, but felt he was becoming more sensitized to the concerns of those who live in the area.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-82 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 263-82, requests authorization to extend Exclusive Negotiations for 60 days with Benjamin Smith, Jr. for purchase and rehabilitation of 1339-41 Pierce Street in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. Exclusive Negotiations were granted on June 1, for 90 days to August 31 and requirements of those negotiations were met. However, a firm disposition price was not available until August 2, so that the exact amount of equity needed was not known to the developer. Based on the recently received appraisal and staff's estimate of the rehabilitation costs Mr. Smith has been provided with the amount of equity capital likely to be needed to carry forward the project. This recommended extension will allow Mr. Smith, Jr., time to provide additional information concerning the now available equity capital requirement and also for public hearing notice.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-82 BE ADOPTED.

- (d) Resolution No. 264-82, requests authorization to re-enter negotiations for 60 days with Bruce Loughridge for purchase and rehabilitation of 1225-29 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. Exclusive Negotiations were granted on June 1 for 90 days to August 30, during which time Mr. Loughridge, a former owner of 1225-29 Divisadero, submitted and obtained approval of an Affirmative Action Program and evidence of equity capital. This building is a two-flat Victorian with 800 square feet of commercial space on the ground floor. Mr. Loughridge's schematic plans eliminate this non-conforming commercial use. However, the schematic plans have been returned to Mr. Loughridge for further modification to comply with the Redevelopment Plan. This 60-day extension will allow Mr. Loughridge time to select from among the alternatives available for the commercial space, which includes a third residential unit or a Child Care Center for which Mr. Loughridge has expressed interest.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-82 BE ADOPTED.

- (e) Resolution No. 265-82, requests authorization of a First Amendment to the Personal Services Contract with VBN Corporation in the amount of \$16,000.

Mr. Kernan reported on item (e) as follows. Authorization of this contract was granted on February 23 for VBN Corp. to prepare design and contract documents for the construction of the O'Farrell and Fillmore Plaza, the Geary and Webster Plaza and the connecting diagonal walkway in Fillmore Center in the amount of \$60,300. Staff feels VBN has now reached a point that amending their contract is

NEW BUSINESS (continued)

important for the following reasons:

At the time of this contract, staff was not able to assess the full impact and the extent of necessary modifications required for the Mayfair Market because of the lack of detailed design studies for the walkway. VBN has now established the extent and location of the connecting walkway and analyzed the structural and other building systems of Mayfair Market affected by the walkway. The estimated construction cost for modifications to this building is \$100,000 and staff recommends that VBN's contract be increased by \$10,000 to prepare the design contract documents for this work.

With an additional \$6,000 increase, VBN can finalize a public improvements package for the plaza and walkway. When the original contract was negotiated it was based on the belief that a strong initial concept had been presented by Arthur Silvers and only refined conceptual work would be required. However, as the process evolved it became clear that significant complexities existed, especially a need to create an area that would attract many shoppers thereby enhancing the economic viability of the proposed adjacent commercial operations while addressing the ethnic concerns of the community. Addressing these issues however resulted in a very time consuming process and entailed considerably more effort at the schematic design stage than anticipated in the original contract.

Staff recommends, for these reasons stated, that this contract be increased by \$16,000.

Ms. Mary Rogers inquired why it cost \$100,000 to rehabilitate Mayfair Market, who would be doing the work and who would pay for it and Mr. Kernan, indicated that the cost is an estimate and it is not known who will do the work yet, and it will be the Agency who pays for the rehabilitation, because it will accommodate the Agency's plans for a walkway.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-82 BE ADOPTED.

- (f) Resolution No. 266-82, requests authorization of a Rental Agreement with California College of Podiatric Medicine for the parcel located at the corner of Scott and O'Farrell Streets in the Western Addition A-2 in the amount of \$250 per month.

Mr. Kernan reported on item (f) as follows. This college has been located in the Western Addition since 1914 and has had a commitment to that community in providing employment opportunities to the residents and direct aid and scholarships to minority students. This parking lot will be primarily used for student parking and parking for patients. The Beideman Association Neighborhood Group (BANG) has approved this proposal. The proposal has been presented to WAPAC twice and no opposition has been voiced, but due to lack of a quorum at last week's presentation no official vote could be taken.

NEW BUSINESS (continued)

Ms. Eileen Henriques indicated that this was just another case of a vacant lot in a residential area and she was opposed to this rental agreement. Mr. Kernan indicated that this was a temporary use until development began. Ms. Blomquist inquired as to the nature of the development and when it would be before the Commission and Mr. Gene Suttle, Area Director, Western Addition A-2 responded that this site is a parcel that can be negotiated and two proposals are under evaluation now. It is anticipated it will be around the first of the year when it comes before the Commission.

Ms. Mary Rogers, WAPAC, indicated support for this item and that the College was a good neighbor.

Mr. Newman inquired if there was any landscaping in the proposal and Mr. Suttle indicated yes at the back of the lot. Mr. Newman asked why not all around the lot and Mr. Suttle indicated because of the terrain of the site and because the College is already putting in \$12,000 worth of work on the site. Mr. Kernan inquired if a two foot setback for planting could be done and Mr. Suttle indicated he would have the architects take another look at the site to see what could be done.

Mr. Newman requested that language be added to the Resolution that required the College to install satisfactory landscaping and that they be responsible for maintaining the site.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-82 BE ADOPTED AS AMENDED.

- (g) Resolution No. 267-82, requests approval of the method of sale and minimum disposition price for Parcel D, bounded by Third Street, Evans Avenue, Newhall Street and Galvez Avenue; approving placement of advertising; and making certain findings and determination in connection therewith, India Basin Industrial Park.

Mr. Kernan reported on item (g) as follows. (1) Offering of Parcel D for commercial development which is bounded by Third, Evans, Newhall and Galvez in the India Basin Industrial Park Project; (2) expenditure of \$8,000 for advertising which includes notifying those on Agency mailing list, advertising in San Francisco's major newspapers, and an industry magazine having nationwide distribution, community papers, real estate publications, and radio media; (3) a minimum disposition price of \$1,290,500 which is based on reuse appraisals prepared in 1981; and (4) expenditure of \$12,900 for the brokers finders fee. A broker who introduces a buyer to the Agency is entitled to either a finders fee or a referral fee of \$12,900 which represents 1% of the sales price.

This Parcel is recommended for a mixed commercial use development for a variety of restaurants, a bank, a savings and loan institution, other commercial and office space for workers in the

NEW BUSINESS (continued)

industrial park. The offering will be open for a period of approximately 150 days beginning this September and the review and selection process for exclusive negotiations will require approximately 90 days.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. HARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-82 BE ADOPTED.

- (h) Resolution No. 268-82, requests authorization to modify the terms of the UDAG application for Merchandising Methods, Inc. in order to enable a private development to occur in the India Basin Industrial Park.

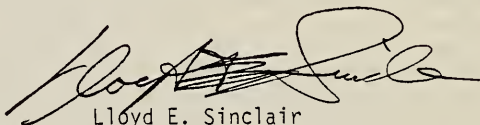
Mr. Kernan reported on item (h) as follows. When the Commission approved the transmission of this UDAG application to the Mayor's Office of Economic Development on July 13, staff advised that HUD might ask the Agency to defer its receipt of land sales proceeds in order to accomplish the development with a smaller advance of UDAG dollars from HUD than would otherwise be required. It is now apparent that this will be a condition of HUD's grant of UDAG funds to assist the development. The adoption of this proposed resolution will enable the City and Agency to agree promptly on terms for the conveyance of the land in question. The final agreement on conveyance terms by the City and Agency will be accomplished within the general authority of the Mayor to act on behalf of the City. Approval of this resolution modifying the terms of the UDAG application for Merchandising Methods development is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

October 5, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF SEPTEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting of 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of September, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnelle
- Dian Blomquist
- Haig G. Mardikian
- Walter S. Newman

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and the following was absent:

Leroy King

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Dr. R. A. McCoy and James E. Stratten, R. & J. Futuristics, Inc.; E. B. MacDonald, Jr., Chevron Land & Development; Frank Lucas, Catalyst Financial Corporation; Ocie Rogers, J.H.C.; Oscar James; Tyson Duhon; Samuel Dukes, Dukes-Dukes; Mary Rogers and Donald Bryant, WAPAC; Askia Sonyika; Sue Hestor; Jeffrey Heller; Arnold Townsend; David Cincotta and Roy Chew.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of August 17, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) There will be no regular Agency Meeting next Tuesday, September 21. The next meeting will be held September 28.
- (b) The Grand Opening of the Mei Lun Yuen Housing Development will be held Saturday, September 18, 1982 at 2 p.m. at 945 Sacramento Street.
- (c) The Casa de Vida Development in Diamond Heights for modest-income handicapped persons will hold their Grand Opening celebration on Thursday, September 23, from 11 a.m. to 2 p.m.

NEW BUSINESS

- (a) Resolution No. 269-82 requests authorization of a Second Amendatory Agreement with SOCA Development Co. for Lot 5, Site 4, located off Whitney Young Circle on Hunters Point Hill, Hunters Point.
- (b) Resolution No. 270-82 requests authorization of a Second Amendatory Agreement with Leroy Wise, Sr. for Lot 12, Site S-4, located off Whitney Young Circle on Hunters Point Hill, Hunters Point.
- (c) Resolution No. 271-82 through and including 283-82 requests authorization for Third Amendatories for thirteen developers for Lots 1-4, 6-11, 13, 15 and 16 within Site S-4, located off Whitney Young Circle on Hunters Point Hill, Hunters Point.

Mr. Hamilton reported on item (a), (b) and (c) as follows. Each of the 15 Amendatory Agreements has two objectives: One is to revise the performance schedule in the LDA and the second is to add to the LDA the standard package control language which speaks to changes and/or improvements. Each developer as listed on today's agenda has provided the Agency with satisfactory final construction documents. The current performance dates for each developer vary, but because each is experiencing similar difficulties in arranging financing, staff recommends the following uniform new outside performance dates: Submission of evidence of financing, January 31, 1983; and Completion of Construction, March 3, 1984. The developers have been advised that their parcels will be reappraised if conveyance does not occur 18 months after the LDA has been executed, and in this regard language has been inserted in the Amendatory Agreements which sets forth the time schedule for reappraisal. Staff believes the real estate market for residential land in Hunters Point has remained relatively static and no significant change is expected. However, staff will review all market data as the price expiration dates approach. Staff recommends approval of these 15 Amendatory Agreements.

Mr. Tyson Duhon, one of the 15 developers in Site S-4, indicated he was speaking for all of the developers in informing the Commission that obtaining financing is very difficult and that Agency staff has been very helpful.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 269-82 THROUGH AND INCLUDING RESOLUTION NO. 283-82 BE ADOPTED.

- (d) Resolution No. 284-82 requests authorization of a Second Amendatory Agreement to the LDA with Bay Vista Homes, Ltd. for the development of parcels X-1 through X-10, FF-2, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10, and Z-13 located on Hunters Point Hill in Phase I of Hunters Point.

Mr. Hamilton reported on item (d) as follows. The LDA was approved in June of last year for the developer to construct 55 market-rate residential dwellings in two phases. There are eighteen units in

the first phase and 37 units in the second phase. The developer has completed six of the eighteen units and five applications are in process for these six units ranging in price from \$95,000 to \$130,000. The developer is requesting a one year extension for completion of construction for the first phase from September 23, 1982 to September 22, 1983. The developer also requests a change to the Performance Schedule of the second phase since the interim financing agreement with the construction lender states that the developer can only start construction of six additional units after escrow has closed on the first six units. This sales constraint will continue through project completion of both phases. The Performance Schedule of the second phase would change for Submission of Evidence of Financing from September 6, 1982 to December 13, 1982; and Completion of Construction from November 8, 1983 to January 12, 1984. Since interim financing is in place and the developer is participating in the Agency's SB-99 program, staff believes the extension of time to complete construction of the first phase and to submit evidence of financing for the second phase is warranted. The developer has been advised that the price will expire on December 30 of this year for the second phase sites and language has been added to the Agreement that sets forth this date. However, no significant change in the market is anticipated during the next four months and staff will review all market data as the price extension date approaches. Staff recommends approval of the extensions for Phase I and Phase II for Bay Vista Homes.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-82 BE ADOPTED.

- (e) Resolution No. 285-82 requests authorization to execute a Second Amendatory Agreement to the LDA with R & J Futuristic, Inc. for the parcels S-1 and S-2 located on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on item (e) as follows. An LDA was authorized in December 1981 for development of sixty-seven single-family homes to be constructed in three phases. R & J Futuristic has entered into a Loan Agreement for funds with Newmarket Land, Inc. to assist in acquisition and development. Upon Newmarket's recommendation, R & J Futuristic has hired a construction manager. The development will utilize SB-99 tax-exempt bonds to provide construction and permanent financing. Under the old SB-99 rules the bonds must be sold before December 31, 1982 and utilized before December 31, 1983. Staff expects that the bonds will be sold before the deadline.

The changes in the performance schedule would be: For Phase I - Submission of Evidence of Financing from September 9, 1982 to January 1, 1983, and Completion of Construction from May 23, 1983 to October 14, 1983; For Phase II - Submission of Evidence of Financing from December 8, 1982 to May 9, 1983, and Completion of Construction from September 21, 1983 to February 10, 1984; and For Phase III - Submission of Evidence of Financing from April 12, 1983 to September 9, 1983, and Completion of Construction from January 22, 1984 to June 9, 1984.

This amendment also includes a change to Attachment No. 6 of the LDA to include the Agency's standard package control language regarding changes to the development after issuance of a Certificate of Completion. Approval of these changes is recommended.

Mr. James Stratten of R & J Futuristic thanked the Commission and indicated they were forging ahead and intended to succeed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-82 BE ADOPTED.

- (f) Resolution No. 286-82 requests authorization of a consultant contract with Harold R. Snedcof to provide support services for the cultural program for the Central Blocks in Yerba Buena Center in an amount not to exceed \$15,000.

RULE OF THE CHAIR: Continued to meeting of September 28, 1982.

- (g) Resolution No. 287-82 requests authorization to contract with Standard Insurance Company for the Agency's group life insurance coverage effective October 1, 1982.

Mr. Hamilton reported on item (g) as follows. The Agency has had group life insurance as part of its employee benefit program for many years with the employee and the Agency each paying one-half of the cost. Republic National Life Insurance Company has provided the coverage for the last five years. However, their rates have gone up \$.05 each year for the last two years making the total \$.47 per \$1,000 of coverage. Because of the raise in rates, staff requested William M. Mercer, the benefit consultant, to solicit bids for the coverage and eight carriers submitted bids. Confederation Life submitted the low bid at 34.4 cents per \$1,000, however, it will be re-rated after one year. The second low bidder Standard Insurance bid 36 cents per \$1,000, which is 1.6 cents more, however they have given a two year rate guarantee. Though a higher bid, staff believes Standard's two year rate guarantee is a more acceptable alternative because of the projected reductions in force, a low turnover rate, and the Agency group will be getting older which could result in a higher quote a year from now.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-82 BE ADOPTED.

- (h) Resolution No. 288-82 requests authorization of the issuance, sale and delivery of Construction Loan Notes and Mortgage Revenue Bonds in the amount of \$4,331,800 and \$4,598,000 respectively to provide construction and permanent financing for two Section 8 projects being developed by Aspen Tenderloin Apartments Company: the 27 unit Aspen Turk Street at 165 Turk Street; and the 55 unit Aspen Eddy Street Apartments at 249 Eddy Street.

Mr. Hamilton reported on item (h) as follows. Staff has obtained approval of the Board of Supervisors for issuance of notes and bonds for these two projects and Bond Counsel has prepared the subject

Resolution and support documentation for the issue. The construction and permanent loans will be serviced by Bank of America and Realty Corporation as mortgagee and Bank of America National Trust and Savings Association as Trustee for the Notes and Bonds. The following documents will be approved by this Resolution: the Trust Indenture, the Investment Agreement, the Agreement for Financing Residence under SB-99, the Mortgage Servicing Agreement, the Official Statements and the Bond and Note Purchase Agreement. As is standard in Agency SB-99 financings, the Construction Loan Notes and Mortgage Revenue Bonds are special obligations of the Agency payable solely out of revenues from the project and the bond issue. The developer will pay a fee to the Agency for administrative services in connection with the issue.

Ms. Mary Rogers, WAPAC, inquired of the feasibility of using this bond method to build the public housing units that had been proposed for A-2 and Mr. Hamilton responded that the problem would not be with getting the bond issue put together, but with obtaining subsidies from HUD for the people who would be occupying the units. Though the Agency has fought very hard with HUD over a long period of time to provide those subsidies, they are just not available.

Mr. Arnelle inquired if a citizen or the Agency through some legal action could require the Federal Government to fulfill those promises or agreements made under the Housing and Redevelopment Acts with communities to carry out developments including subsidized housing. Mr. Hamilton responded that according to the A-2 Redevelopment Plan, the Agency has more than met its obligation in providing low-income housing in that area. In regard to the scattered public housing units proposed for A-2, this Agency and Commission took considerable criticism on the extensions granted to the Housing Authority to build those units, but HUD believed the prototype costs to build the units were too high and the Housing Authority ultimately advised they saw little likelihood that they could proceed. Mr. Hamilton noted that at one time the Agency had led the country in filing a suit against the President of the United States to stop a moratorium imposed on Federal low-to-moderate housing funds and although the suit was dismissed it was evidence of this Agency's good efforts. As to the legal remedies, General Counsel will speak to that issue.

Mr. David Oster, Acting General Counsel, responded that as far as whether or not citizens or the Agency have legal redress with the government for failure to fulfill its commitments, it is his understanding that that is a subject of pending litigation, which has been brought by Ms. Rogers against HUD and the Agency and it may very well be that, without discussing this in detail, the Court will have to rule on whether or not there is such redress.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-82 BE ADOPTED.

- (i) Resolution No. 289-82 requests authorization of a First Amendment to the Owner Participation Agreement for a two months extension with

Catalyst Financial Corporation which proposes to construct 150 market-rate condominiums parcel 696, lots 12, 14 and 21 at the southeast corner of Post and Gough in the Western Addition A-1.

- (j) Resolution No. 290-82 requests authorization to enter into Exclusive Negotiations for two months with Catalyst for the rehabilitation of 25 units parcel 1127-F, 748-B, 1129-O and 1127-L (1985 Ellis, 1353-67 Eddy, 1915-19 Eddy and 1917 Ellis) in the Western Addition A-2.

Mr. Hamilton reported on items (i) and (j) as follows. In the Fall of 1981 a series of actions authorized an amendment to the A-1 Redevelopment Plan that changed the permitted use of the site on the allowable density of the housing that could be built. Following that approval, the Agency entered into an OPA with Catalyst for the property and also entered into Exclusive Negotiations with Catalyst to rehabilitate 25 units in A-2. It had been anticipated that both the OPA and Exclusive Negotiations would be completed and an LDA entered into for the 25 units by now. However, working out the OPA and developing the marketing program and costs of rehabilitation have taken longer than expected and delayed the process. The proposed schedule calls for establishing the rehabilitation costs and the sales price to the eventual buyers no later than October 1, 1982. The actual marketing plan must be submitted by October 14, 1982 and the public hearing for the LDA will be scheduled no later than November 16, 1982. Approval of the resolutions extending the Performance Schedule for the OPA and entering into Exclusive Negotiations with Catalyst Financial Corporation is recommended.

Ms. Mary Rogers, WAPAC, inquired when the sales prices for the condominiums would be ready and Mr. Hunter Johnson, Chief of Rehabilitation, indicated they were expected to be ready by the end of the month. Ms. Rogers indicated that Agency staff, Catalyst and WAPAC were to meet regarding the units to be rehabilitated and Mr. Hamilton responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-82 BE ADOPTED.

- (k) Resolution No. 291-82 requests authorization of a Third Amendatory Agreement which will extend for two weeks the termination date of the LDA with KP00 and Associates for the property located at 1325-29 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (k) as follows. The LDA was approved in August of last year for the rehabilitation of this four-story wood framed building containing 16 studio apartments with ground floor commercial space. The commercial space is proposed as a permanent facility for KP00 Radio, a public service non-profit educational station. Two subsequent amendments to extend the time to provide the financing requirements have been authorized since

then. The developers were unable to receive a firm commitment for the remaining funds necessary to complete rehabilitation and have lost the 312 loan allocation of \$300,000. The developer now feels that with the loss of these funds, the rehab and operation of the building as a rental project is no longer feasible and they are now proposing to sell the 16 residential units as condominiums and are taking steps to obtain tentative commitments for construction and permanent financing if condominiums are approved. At this time the developer is in default and to forestall termination a two week extension to September 28 is requested. During this time, staff will complete the analysis of the developers proposal for condominiums and make a recommendation for further action on that proposal. Approval of this Third Amendatory Agreement with KP00 and Associates is recommended.

Mr. Arnold Townsend, representing KP00, requested more than a two week extension in order to look at the possibility of changing the development from rental to condominiums, even though it is desired to stay with rental. He also indicated concern that the Agency was now requiring that KP00 put up \$100,000.

Ms. Blomquist inquired how much time KP00 was requesting and Mr. Townsend indicated 90 days.

Ms. Mary Rogers and Mr. Donald Bryant, WAPAC, indicated their support of the requested 90 day extension.

Mr. Hamilton asked Mr. Hunter Johnson, Chief of Rehabilitation, to explain the \$100,000 issue. Mr. Johnson responded that for some background on this matter, it should be noted that Mr. Bob Becker of KP00 & Associates and Mr. Joe Rudolph, President of KP00 discussed the possibility of doing a condominium project about two weeks ago, however, no further information has been brought forward. Also, that this afternoon Mr. Rudolph signed the amendatory agreeing to the two week extension. On the matter of the \$100,000, it relates to the financial feasibility of the project as a 16 studio unit rental development. Based on the rents projected for a Section 8 subsidy on a moderate rehabilitation, and because KP00 and Associates was going to rent the commercial space to KP00 for \$1 per year for 99 years the project would be infeasible, in todays high interest rate market, unless more equity i.e. the \$100,000 is put up, which the developers do not want to do. This information is not new to KP00. Mr. Johnson also noted that if the property is not conveyed by October 23, it will have to be reappraised; and this building is on the Court Calendar for abatement and staff must show the court that some progress has been made in rehabilitating the building.

Mr. Lee inquired how large the units are and Mr. Johnson indicated large studios, with a possibility they could be converted to one bedrooms to make them more marketable, which would bring in a higher price.

Mr. Mardikian inquired if the requested extension beyond two weeks was contrary to the agreement with the principals of KP00 and Mr. Johnson responded affirmatively.

Mr. Townsend indicated that he has just left Mr. Rudolph and he signed for the two week extension to keep from being in default.

Mr. Arnelle indicated that the problem is not that the Commission wouldn't extend further, but that KP00 and Associates have agreed and signed a two week extension and this is what is before the Commission. It would have been helpful to have the principals in attendance at this meeting.

Mr. Newman inquired that if the Commission approves the two week extension today then couldn't the developers return on September 28th to request more time and Mr. Hamilton responded that would be his recommendation.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-82 BE ADOPTED.

- (1) Resolution No. 292-82 requests authorization for Helen L. Sause, Project Director, Yerba Buena Center and Wilbur W. Hamilton, Executive Director, to travel to Boston, Massachusetts, October 23 through 27, 1982 to attend NAHRO's National Convention.

Mr. Hamilton reported on item (1) as follows. Ms. Sause will be attending in her capacity as a member of the Board of Governors and Regional Vice President of CRAD. Mr. Hamilton will be attending the Convention in his capacity as a member of the National Board of Governors and National Vice President of Community Revitalization and Development Committee. Each of them will be participating in program sessions that affect major federal investments and facilities have on a city's housing programs and community and economic development activities; new technologies in resource development; techniques for cutting operating costs; and processes for increasing the effectiveness of community development. Attendance at this Convention will be beneficial in carrying out the Agency's program. Travel costs will not exceed \$2,500 and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-82 BE ADOPTED.

- (m) Resolution No. 293-82 requests authorization for Redmond Kernan, Deputy Executive Director, and Richard Kono, Acting Director of Development, to attend the Urban Land Institute's (ULI) fall conference in Houston, Texas on October 6 through 9 of this year.

Mr. Hamilton reported on item (m) as follows. This conference is of significant value to the Agency because of its focus on urban development, mixed-use developments, and development policies and regulations. It will provide a forum for discussion of the Agency's program and an opportunity to meet and learn from the development

community. Mr. Kernan and Mr. Kono work daily with the Agency's development program. In addition, Mr. Kernan has recently been accepted as an Associate of the ULI and appointed to the Development Systems and Services Council, which is one of nine ULI Councils. Estimated travel costs will not exceed \$3,000 and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 294-82 requesting the San Francisco Human Rights Commission to review testimony regarding allegations that Glad Tidings Tabernacle discriminates on the basis of sexual orientation, Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. At the Agency meeting of May 18, 1982, after a Public Hearing, the Commission took two actions regarding Glad Tidings Tabernacle, which is located in the Western Addition A-2. First was an Owner Participation Agreement regarding Glad Tidings property at 1441-45 Ellis Street and 1360 Eddy Street and the second action was a Land Disposition Agreement for the Glad Tidings purchase from the Agency approximately 11,368 square feet of land to be used for parking, which land is located on the easterly side of Webster between Eddy and Ellis Streets, adjacent to their property. Since that Public Hearing, charges have been made that the Agency sold the land to Glad Tidings while ignoring charges that Glad Tidings discriminates against gay persons. In order to confront these allegations, staff feels that an independent evaluation should be made of the comments heard by this Commission at our public hearing and it is recommended that the Commission adopt the proposed resolution which, in summary, requests that the San Francisco Human Rights Commission review this Agency's public hearing of May 18 and advise this Commission whether or not it believes that the matter was dealt with in a responsible manner.

President Berk indicated that she had had conversations with Human Rights Commissioners who have been aware of this and also with Agency staff and believe that a good look should be taken at this whole matter and was pleased the Human Rights Commission was willing to undertake this for the Agency.

Ms. Mary Rogers requested that the Community be informed when the Human Rights Commission is to conduct a public hearing on this so that the public can attend and Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated the Agency is not asking for a public hearing, but for the Human Rights Commission to review the testimony of the Agency's Public Hearing on May 18, and to make an evaluation on whether it was reasonable and logical for this Commission to act as it did.

Mr. Arnette indicated it should be clarified that no one was sworn to testify before the Commission, so there was no testimony. There

were statements made in the nature of all kinds of heresay and the record beyond that will speak for itself. But it is the record that will be reviewed by the Human Rights Commission and that will reflect for the Human Rights Commission the appropriateness of the Commissions' decision. Mr. Mills indicated that was correct.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-82 BE ADOPTED.

- (b) Resolution No. 295-82 requests authorization of an expenditure of \$700 for the cost of air fare for the Executive Director to travel to Washington, D. C. July 27 through July 29, 1982.

Mr. Hamilton reported on item (b) as follows. At the request of Mayor Dianne Feinstein, he had travelled with the mayor to Washington, D. C. on July 27-29 to testify before a Congressional Subcommittee in connection with concerns about the Agency/GSA transaction. On August 3, 1982 the Commission ratified travel expenses in an amount not to exceed \$350 with the understanding, as had been conveyed to the Agency, that the Mayor's Office would pay the air fare. However, the Mayor's Office has informed the Agency that this is not the case and are now requesting \$700 to pay for the air fare. Approval of this expenditure is recommended.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-82 BE ADOPTED.

At this time, President Berk announced that this meeting would recess to a Closed Session on litigation after which the meeting would reconvene in the fourth floor conference room for a Workshop. The meeting recessed at 5:25 p.m. and reconvened at 5:35 p.m. The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Haig G. Mardikian

and the following were absent:

Leroy King
Walter Newman

The President declared a quorum present.

- (n) A workshop was held at the request of the developers of the property located at Post, Franklin and Van Ness Avenue who are Grosvenor Properties and Chevron developers. They presented their proposed design and answered questions from Commissioners and audience. The Agency's architectural and executive staff did not comment or critique the design as they had not yet reviewed it.

Minutes of a Regular Meeting, September 14, 1982

Ms. Blomquist made the following comments. Why does this developer deserve an economic bonus at the cost of the people who live in the neighborhood and San Francisco? If the Agency gives it to them why not to others? What entitles them to this? They aren't even giving amenities to the City that would be attendant if they had to go through the Planning Department.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

Lloyd E. Sinclair
Secretary

APPROVED

October 5, 1982

DEC 9 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF SEPTEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of September, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian

and the following was absent:

Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Curtis Eisenberger, Frank R. Passantino, DDSMA; Bernard Goordon, David Saffa, Daniel Nuntem, Herbert Goodman, Alan Coleman, ESQ/Med Group; Mesallem Mohammed, Ibrahim DH Kassim, University of San Francisco (Environmental Management); A. K. Caine, K. Caine Agency; Soon K. Hong, Jeong Y. Park, The Multi-Services Center for Koreans; Norman Smith, Mary H. Rogers, Western Addition Project Area Committee (WAPAC); Grur Mmuh, KPOO Radio; Olie Rogers, Joint Housing Committee (JHC); J. Gordon Ainsworth, The Broadmoor Retirement Hotel; L. Jamerson, Jamerson Development; S. Kim, MSCK; Roy Chew, David Cincotta and Roosevelt and Aletha Carrie, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of August 24, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Sessions of June 29, 1982; June 13, 1982; July 19, 1982; July 20, 1982; July 27, 1982; August 3, 1982 (1); August 3, 1982 (2); and August 10, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Berk reported on the following matters:

- (a) The Plaza Theatre opening festivities at the Justin Herman Plaza were held on Friday, September 17 and though "rained out" were still successful.
- (b) The Casa De Vida Development in Diamond Heights for modest-income handicapped held their Grand Opening celebrations on Thursday, September 23.
- (c) The Mei Lun Yuen Housing Development held their Grand Opening on Saturday, September 18.

Among one of the great rewards of being a Commissioner is going to the dedication of these developments that the Commission has watched being built.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The Human Services Committee of the Board of Supervisors had on their calendar today an ordinance amending the Administrative Code which would add certain nondiscrimination requirements in redevelopment plans. The Commission will be advised of the outcome of this item.

UNFINISHED BUSINESS

- (a) Resolution No. 286-82, requests authorization of a consultant contract with Harold R. Snedcof to provide support services for the cultural program for the Central Blocks in Yerba Buena Center in an amount not to exceed \$15,000.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (a) would be continued. There being no objection it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in a variance from the permitted density of the Redevelopment Plan, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 296-82, requests authorization of a variance from the permitted density of development requirements of the Western Addition A-2 Redevelopment Plan for 1400 Post Street.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. On August 31 an LDA was approved for Roy, Joyce, Jeanette, Evelyn and Lisa Chew to purchase and rehabilitate the building at 1400 Post Street. This structure in addition to the residential unit contains a commercial unit on the ground floor which is a grocery store operated by Mr. Chew for over 25 years. The Redevelopment Plan does not allow as much commercial space as currently exists and therefore it is necessary to permit an increase in density for shopping and service uses from a maximum of 5 square feet to 75 square feet for each Agency Room approved which would thereby allow retention of the existing use in the structure. WAPAC has indicated its support of this variance and staff recommends approval.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-82 BE ADOPTED.

- (b) Resolution No. 297-82, requests authorization of an Agreement with PG&E for work under Site Improvement Contract No. 31 in Hunters Point.

Mr. Hamilton reported on item (b) as follows. This Agreement provides for installation of gas and electric mains and distribution facilities to serve the housing to be constructed on this site. Normally PG&E prepares and obtains prior approval before start of construction. However, in this instance, PG&E was unable to meet the Agency's schedule and in order to prevent delays PG&E installed their facilities prior to approval of the Agreement. Therefore, all work has been completed. This Agreement requires an advance of \$3,876 which is refundable to the Agency, up to a maximum of ten years, when completed buildings are connected to the utilities. This procedure is required under State PUC regulations for new developments where no electric or gas utilities exist. Funds are available for this purpose and staff recommends approval.

Ms. Blomquist requested clarification of the process concerning items (b) and (c) involved between PG&E and the Agency and Mr. Hamilton responded that PG&E reimburses the Agency for the work done. Ms. Blomquist inquired if the reimbursement from PG&E was for the actual cost of the work and Mr. Hamilton indicated affirmatively.

Mr. Arnelle requested clarification on what the Agency is conveying and Mr. Leo Borregard, Agency General Counsel responded that the Agency is conveying what has been installed and that installation then becomes part of PG&E's system. Mr. Arnelle inquired if it was conveyed in perpetuity and Mr. Borregard indicated affirmatively. Mr. Arnelle inquired if as part of that conveyance PG&E had a right

NEW BUSINESS (continued)

of easement and a right of entry to repair and Mr. Borregard responded affirmatively and that once PG&E owns it, then PG&E has the responsibility of maintaining it, and this has been customary practice for the Agency over the years and is fairly standard practice in the City.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-82 BE ADOPTED.

- (c) Resolution No. 298-82, requests authorization to execute Deeds of Conveyance to PG&E to transfer ownership of underground electric distribution facilities constructed at Jennings Street under Site Improvement Contract No. 10R in the India Basin Industrial Park Project.

Mr. Hamilton reported on item (c) as follows. Normally, an Agreement is entered into prior to construction, which would have included a provision to convey the distribution facilities to PG&E. However, PG&E was unable to prepare the Agreement in a timely manner and the facilities were installed without an Agreement. PG&E has confirmed that an Agreement is no longer necessary, but PUC rules require that the Agency transfer ownership of the electric conduits and boxes to PG&E by means of a Deed of Conveyance.

Ms. Blomquist indicated that President Berk had pointed out to her that there is no payment to PG&E for ownership transfer of the above facilities and inquired if that was different from what she had understood and Mr. Hamilton indicated that these are two different matters.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-82 BE ADOPTED.

- (d) Resolution No. 299-82, requests authorization of a third extension until December 21, 1982 for submission of a Pre-Preliminary Development Proposal with South Beach Development Company for the parcel bounded by First, Bryant, Beale and Brannan in Rincon Point - South Beach.

Mr. Hamilton reported on item (d) as follows. This eight acre property is the single largest housing site in Rincon Point-South Beach where approximately 800 housing units could be developed. A previous extension was granted to August 24, 1982 for submission of a development proposal and progress has been made in the negotiations that are being concluded between South Beach Development Co. and their new development partner, Forest City Dillon. Approval of this extension is recommended.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-82 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 300-82, requests authorization to expend the residual unencumbered funds in the Stockton/Sacramento Project Area budget to assist the developer, Mei Lun Yuen, Inc., to help complete certain exterior work on the development.

Mr. Hamilton reported on item (e) as follows. The Agency has completed the contract for installing curbs, gutters, sidewalks and street trees abutting the development at a cost below budget. As a result there is now an unencumbered balance of \$8,042 in the Stockton/Sacramento budget with no further financial obligations under the Redevelopment Plan or LDA.

The Mayor's Office of Housing and Community Development has urged the Agency make these residual funds available to Mei Lun Yuen, Inc. to help it accomplish three work items: painting the exhaust duct; correcting the courtyard paving to make it safer for the elderly residents and those in wheelchairs; and installing courtyard landscaping. Approval is recommended to make these funds available for these specific purposes in an amount not to exceed \$8,042.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-82 BE ADOPTED.

- (f) Resolution No. 301-82, requests authorization to expend up to \$35,000 for costs directly associated with the consolidation of staff within the Agency's central office.

Mr. Hamilton reported on item (f) as follows. With the exception of a small office in Hunters Point, all staff and related equipment will be consolidated within the Central Office as soon after October 15 as practical. This will include transfer of 31 employees from A-2 and Hunters Point and rearrangement of certain employees at Central Office. To effect this consolidation certain expenditures will have to be made in moving expenses, reconfiguration of space at Central Office, carpeting, painting and telephone system changes. In addition to this one-time expenditure being necessary, the Agency will realize substantial savings from closure of the A-2 site office and the substantial reduction of the Hunters Point site office. Approval of this expenditure is recommended.

Ms. Mary Rogers, WAPAC, inquired about the availability of A-2 staff at Central Office to A-2 residents and Mr. Hamilton responded that the A-2 staff would be located in an identifiable area at Central Office. Ms. Rogers inquired who that staff would be and where they would be located and Mr. Hamilton indicated that they are already known and space allocation is now being assigned.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-82 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 302-82 requests your approval of an "Inducement Resolution" which expresses a conditional intent to cause the issuance of Certificates of Participation or other appropriate securities for construction and permanent financing of a Medical Office, Clinical and other improvements for the property owned by Med Group I and II at Geary and Divisadero in the Western Addition A-1.

Mr. Hamilton reported on item (g) as follows. The proposed Inducement Resolution would not exceed: \$8,000,000 for rehabilitation of the building at 2186 Geary by Med Group I; and \$10,000,000 for an adjacent development for underground parking and a new building to be known as Geary Plaza by Med Group II. Before the Agency will consent to use its powers to issue tax-exempt securities, the developer must make substantive showing to the public that the development is in the public interest and results in identifiable benefits to the City. The Agency is in no way bound by this resolution to any particular terms and conditions or to issue the notes. Only after Executive Director, Bond and Agency Counsel determine that the development may be recommended, will this Commission be requested to consider further action leading to financing for these developments. The Inducement Resolution has been written to cover the possibility that the Agency may provide financing for the Med Group Projects either in the traditional manner by issuing securities such as bonds or notes, or through the issuance and sale of Certificates of Participation. Certificates of Participation are a relatively recent and innovative method of tax exempt financing based upon the Agency's power to sell land and essentially involve the Agency's pledge of its right to receive installment payments from such a sale. Approval is recommended.

President Berk noted that the Commissioners had not received the material as indicated in the memo regarding this item as attached, which was the developers letter of request and a preliminary description of their proposed development and Mr. Hamilton indicated that it had been an oversight and Mr. Doug Myers, Business Development Coordinator, would now hand the material to the Commissioners.

Ms. Mary Rogers, WAPAC, inquired what the developer's plans are and the difference between this proposed financing and SB-99 bond financing and Mr. Hamilton indicated that he would have one of the financial people explain the financing and the developer would explain what they are proposing.

President Berk thanked Ms. Rogers for her questions, as she believed the Commissioners had those questions also.

Dr. Frank Passantino, a member of the Med Group, introduced Mr. Curtis Eisenberger, the Med Group's Director of Development.

NEW BUSINESS (continued)

Mr. Eisenberger gave a brief history of the project and explained in detail the proposal of the Med Group and the benefits that the City and community would derive from this complex. He also indicated the types of financing they were exploring including the type mentioned in the inducement resolution before the Commission today.

Ms. Blomquist inquired if the developer expected to pay for staff time and Mr. Eisenberger responded that the Med Group will pay for all of the fees and Agency staff time involved, as well as costs incurred by bond counsel and the bonding underwriter.

Mr. Hamilton indicated that this has been the practice on bond issues for the past couple of years, that the developer pays the fees and staff time as part of the bond issue.

Ms. Blomquist requested that she be given a detail of that to see how much money the Agency receives for their time, and Mr. Hamilton indicated staff would provide that and assured the Commission that the Agency is reimbursed for all costs.

Mr. Lee indicated that in the future he would appreciate it if the appropriate documents were received before the meeting, as this was not an easy proposal to understand. Mr. Hamilton responded that the material provided in the memorandum was intended not to describe the development proposal, but to provide sufficient information for the Commission to act upon a resolution of intent that commits the Agency to nothing. After that then all relevant information would be made available in order to take the next steps after this inducement resolution.

Mr. Eisenberger explained that an inducement resolution does not commit the Redevelopment Agency to the development or to the developers. It only allows the developer from a financial standpoint, if the project goes forward, to capitalize all of the costs under the bond issue.

Mr. Arnelle indicated his understanding of the proposal, stated that what the developer was asking for was a resolution that would commit staff time and Mr. Eisenberger indicated affirmatively.

Mr. Arnelle asked Mr. Eisenberger to address what the interest of the City would be and Mr. Eisenberger responded that it is a fiscal benefit to the City and the Agency receives a fee for providing the bond issue; there is no fiscal liability on the part of the City; it secures the Mount Zion area and the project would bind the doctors to that particular site, neighborhood and community; there would be 3,000 jobs, many from the area as well as affirmative action hiring requirements, which are not required under ordinary financing channels and a general upgrading of the area.

NEW BUSINESS (continued)

Ms. Mary Rogers, WAPAC, indicated that she would like this resolution put over one week, as there are many questions that need to be answered. Dr. Passantino indicated that this is a good development and will provide employment and an uplifting of that area which is absolutely essential as well as bring increased revenues to the City.

Mr. Hamilton indicated he would capsulize several of the issues and then have David Oster speak to the financial matters with regard to timing of this bond issue. A good portion of the project sits outside of what would be the normal concern of the Agency. The benefit package includes: Affirmative Action Requirements, including the MBE Requirements, and on-going employment opportunities, such as the prototype in the State Bar Association Building; Agreement from the individual medical profession for on-going donated time in the Mt. Zion clinics; support of development activities underway and proposed in the A-2 area by improvement of buildings which have been vacant for a long period which is consistent with the purposes of the Agency; and the reimbursement for the Agency's staff costs since costs are borne ultimately in the bond issue.

Ms. Blomquist indicated that since the Agency has just laid off 35 people this means the Agency is not able to do a lot of things for the community as they did in the past and since staff time is now very limited how can the Agency spend time on this when the doctors could go out and get private financing.

Mr. Hamilton responded that though staff time is limited, the objectives of the Agency have not changed and will remain the same what ever the staff size is, and the one unique thing about this is that the Agency will be reimbursed for that cost. This inducement resolution binds the Agency to nothing with respect to the development proposal, but authorizes staff to expend time.

Mr. Hamilton then requested Mr. Oster to speak to the financing.

Mr. David Oster, Assistant Agency Counsel, explained that the purpose of the Inducement Resolution under Federal tax law was to permit all development costs, which are incurred after the passage of the resolution to be covered by a bond issue. Since the developer expects to close escrow for its land sale by the end of this month, it is important that the Inducement Resolution be adopted today in order that the land sale costs may be covered in a subsequent bond issue.

Ms. Blomquist inquired if the Agency had solicited this developer and Mr. Hamilton indicated no, the developer had sought out the Agency because part of the development's relationship to the A-2 project and staff responded by explaining the responsibilities and benefits of going through this process.

NEW BUSINESS (continued)

Ms. Blomquist stated that there is a letter that has been subsequently withdrawn from the Union of American Physicians and Dentists dated August 16, which states some very important reasons why the Agency should not support this item which includes that San Francisco has a surplus of hospital beds, it's over-doctored, and a subsidy is being asked for from a public Agency for a private enterprise. Ms. Blomquist then read from a portion of that letter of August 16..."the Redevelopment Agency must pay its benefits to the greater good of the community at large, not to the pocket-oriented convenience, to those who seek their financing in the competitive money market and for enterprises that cannot be shown to have the general community need." Ms. Blomquist indicated that to her this is using limited Redevelopment Agency staff and resources as tax-shelter for wealthy doctors and she strongly opposed it.

Mr. Hamilton requested that Mr. Oster read for the record, the retraction of that from Dr. Stanford Marcus of the Union of American Physicians and Dentists dated August 19, 1982. Mr. Oster read the letter of August 19, 1982 as follows: "On the basis of certain misinformation that had been given us, our Union raised some questions about the propriety of the Med Complex plan, conveyed to you in our letter of August 16th. With the clarification that we have now received, we are withdrawing our intervention, and requesting that you void our letter of August 16th."

Mr. Hamilton asked Ms. Blomquist if she would like an explanation or if the retraction was acceptable and Ms. Blomquist indicated that was not the point, the point is in the August 16th letter and there are other reasons that she opposed the project.

Dr. Roger Good, member of the Med Group, indicated that when Dr. Marcus wrote the letter of August 16th, he had confused this development with another project that was unrelated and when he became aware of that he withdrew all of his objections and he is very much in favor of the proposal the Med Group is making and feels it is the type of free enterprise that should be going on in the community and should not be confused with the other project.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Arnelle
Mr. King
Mr. Mardikian

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

President Berk indicated she would like to make a comment and stated she shared Ms. Blomquist's comments and believed Ms. Blomquist was really asking don't we have to establish priorities, as the budget is being cut each year, and if we have to set priorities then the Agency has been most concerned about housing and about residents of the area and probably in one context the physicians and dentists who practice in that area come under that heading. She indicated she was extremely bothered by the fact that the Commissioners did not have more information beforehand that described the project and the participants and exactly what was involved. Also when a new method of financing is being embarked on it would be helpful to the Commissioners to be provided orientation as the Commissioners work very hard, but find themselves appearing unintelligent when considering a proposal involving a new method of financing without prior knowledge. All of this could have been avoided if the Commission had the information ahead of time.

Mr. Hamilton pointed out that with respect to receiving information, it is the same level of information provided in similar inducement resolutions that the Commission has acted on before but that as President Berk has correctly pointed out, the method being used is new. However the Commission is not acting on a method today.

President Berk indicated that the Commission is, by approving the inducement resolution, saying that it will consider this project down the line and it is not unreasonable to have all the information available and Mr. Hamilton responded he had no problem with that, but wanted to make clear that no action was to be taken on the method today.

Ms. Rogers indicated she still did not have the answer to her questions regarding what kind of bonding and security is being considered here, what a Certificate of Participation is and when will this information be made available.

Mr. Hamilton indicated that the issue of providing financing through bond issues to community developers has been one which has understandably troubled Ms. Rogers and it has concerned staff. Endless hours have been spent in exploring opportunities to use these instruments and vehicles in a way that would benefit the smaller developers. A Certification of Participation is a very new variation on the SB-99 theme and one of the

NEW BUSINESS (continued)

community developers who is having financing problems is now discussing with bond counsel the use of a Certification of Participation. So, it is already being explored in how it might apply to a smaller developer and development.

- (h) Resolution No. 303-82 requests authorization of Exclusive Negotiations for 90 days with Broadmoor Hotel located at the Northeast Corner of Gough and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (h) as follows. The building on this site was destroyed by fire in May of 1981 and since it was not economically feasible to rehabilitate the building it was demolished in July of that same year. Since the site was cleared, Staff has received seven written inquiries regarding development of the site. For some time, Agency practice has been to negotiate with adjacent property owners and among those offering to develop were one current adjacent property owner, the Broadmoor Hotel and one prospective adjacent property owner, the Multi-Services Center for Koreans. MSCK has since reconsidered their development plans, which do not include this site. The Broadmoor Hotel is a residential hotel for elderly persons bordering the site to the north. It is proposed to construct a park on the site which would provide needed open space for the hotel's 120 residents and would be exclusively for the use of the residents and 30 employees of the hotel. Additionally, storage may be built under the park. In connection with its proposed development, the developer proposes to make a \$100,000 contribution to the Agency's Western Addition housing fund.

WAPAC has recommended approval of this development and has expressed its desire to be involved in how the contribution will be utilized. The performance schedule will include: submission of an affirmative action program by November 2, 1982; and submission of evidence of equity capital by November 29, 1982. Approval is recommended.

Mr. J. Gordon Ainsworth, representing the owner of the Broadmoor Hotel, requested the Commission vote in favor of this item.

Mr. Lee inquired if there would be a fence between the park and the sidewalk and Mr. Ainsworth indicated he believed not since the park was high enough off the street to not require one.

Ms. Blomquist indicated that it appeared there would be no activity along the street and asked Mr. Ainsworth if he considered that a safe way for people to walk along the street and Mr. Ainsworth indicated that drawing is a concept and some problems will have to be worked out, but believed the safety question would be taken care of.

Mr. Roy Chew and Mr. Richard Chew both indicated opposition to this item.

NEW BUSINESS (continued)

Ms. Mary Rogers indicated she has requested from the owner of the Broadmoor Hotel that the park be opened to other seniors in the area.

Mr. Mardikian inquired if the disposition price would be arrived at based on its use as a park and Mr. Hamilton indicated the parcel would be appraised as its proposed use but if that changed, it would be reappraised.

Mr. Lee inquired what the current price is and Mr. Gene Suttle, Area Director indicated the price had not yet been received.

Mr. Mardikian indicated he would like more detail on why staff feels this site is not suited for housing. Mr. Suttle responded that architectural staff had looked at several prospects and determined that only about four high priced units could be built on this site.

Mr. Arnette inquired if this hotel is for Senior Citizens and Mr. Suttle responded affirmatively. Mr. Arnette also asked if it was so designated in perpetuity, and Mr. Suttle responded he did not believe so. Mr. Arnette inquired if the Agency has restraints on this site and Mr. Suttle responded affirmatively, that the developer would have to come back to the Commission for approval of any other use. Mr. Arnette inquired if this park would be used for public purposes and Mr. Suttle, indicated that for reasons of security the owner of the hotel would like to restrict the use to residents of the hotel and the employees. Ms. Rogers will discuss with the owner the possibility of other Senior Citizens using the park. Mr. Arnette inquired if Mr. Suttle would followup on this with Mary Rogers regarding those discussions and Mr. Suttle responded affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-82 BE ADOPTED.

- (i) Resolution No. 304-82 requests authorization of a First Amendatory Agreement to the LDA with Suttermore Associates to extend the performance dates by 90 days for the parcel located on the north side of Sutter between Fillmore and Steiner in the Western Addition A-2.

Mr. Hamilton reported on item (i) as follows. The LDA was approved on October 13, 1981 for development of 68 one and two bedroom condominiums and 15,000 square feet of commercial/office space. Final construction documents have been submitted and approved by staff and the developer has applied to the City for a building permit. Suttermore Associates is eligible for SB-99 tax-exempt bond financing and the developer has been negotiating with three bond underwriters to package the bond issue. Suttermore has been delayed because interest rates were too high for the development to be feasible. However, in the past few weeks the rates have dropped

NEW BUSINESS (continued)

significantly and the developer is optimistic that a bond issue can be successfully marketed. The performance schedule would be revised for submission of evidence of financing from September 13, 1982 to December 13, 1982 and Conveyance of the site from October 13, 1982 to January 13, 1983. Approval of this 90-day extension is requested.

At this time President Berk left the chair and Vice President Lee took over as Acting President, 5:45 p.m.

Dr. Harley Shier of the development indicated that he was one of the managing partners and was available to answer any questions.

Mr. David Nunan, representing the Academy of Opthomology at 1833 Fillmore Street indicated that this developer has had Exclusive Negotiating rights since 1978 and nothing has been built and that he had appeared at that time indicating an interest in the property. He asked that the Commissioners give some sort of deadline so that if in fact this group is not available to develop it, the other developers interested in the property would have the opportunity to get negotiating rights as he believed there had been sufficient extensions for this group. He indicated he wished this group success, but if they keep delaying the neighborhood and the property then those of us who would like to develop the property should be given that right.

At this time President Berk resumed the chair, 5:55 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-82 BE ADOPTED.

- (j) Resolution No. 305-82 requests authorization of a Letter Agreement with the Department of Public Works (DPW) for design of left turns at Webster Street for the Fillmore Neighborhood Commercial Center in the Western Addition A-2 in the amount of \$12,000.

Mr. Hamilton reported on item (j) as follows. Construction of the commercial development will necessitate construction of left turn pocket lanes so that vehicular traffic on Webster can safely turn into the proposed Commercial Center. The City's Traffic Engineering Section has studied traffic movements expected to be generated by the Commercial Center and recommends left turn lanes and island modifications be constructed on Webster Street to handle this traffic. Design of these facilities need to be initiated at this time in order that construction can be completed before the planned Safeway facility becomes operational. The City has advised they will be able to perform the work for \$12,000 and upon completion of the Plans and Specifications staff will request authorization to contract for the construction of these improvements. Approval is recommended.

NEW BUSINESS (continued)

Ms. Mary Rogers, WAPAC, inquired as to the location on Webster and Mr. Demetrio Salvador, Chief of Engineering, gave a detailed description of the location and configuration. Ms. Rogers indicated her concern about the School at O'Farrell and Hollis Streets and that the left hand turn lane should have a signal light there, as she was concerned about the children's safety and Mr. Hamilton responded that Ms. Rogers raised a good point about the existing left hand turn lane which turns directly into the approach of the school and asked Mr. Salvador what the plans were. Mr. Salvador indicated that the plans were still in the working stage and that staff would look into a signal at that corner. Mr. Hamilton indicated to Mr. Salvador that in discussions with the Traffic Engineering Department, staff should request that a signal be placed there.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-82 BE ADOPTED.

- (k) Resolution No. 306-82 requests authorization of a Fourth Amendatory Agreement to the LDA with NAMAR Realty Holding Trust, who is the holding trust for National Maritime Union (NMU), for the parcel located on Lapu Lapu and Harrison Streets, Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. NMU has decided not to proceed with construction of their headquarters building in YBC. This Amendatory Agreement will incorporate the terms of a letter agreement between the Agency and NMU regarding the possibility of NMU assigning their LDA and development rights to the subject parcel which assignment would be subject to Commission approval. It also provides for an automatic termination if NMU does not submit a proposed assignment by October 30, 1982. Approval of this Fourth Amendatory Agreement is recommended.

Ms. Blomquist indicated her concern with this arrangement, and strongly urged the Agency to take control rather than turning it over to Milton Meyers which would give all the bonus and points to them.

Mr. Hamilton responded that Milton Meyer Company represents NMU and it is their responsibility to find the principle or entity to whom the assignment would go. If they fail by October 30th the entire arrangement terminates. In any case, where assignments occur, people come to the Agency to recommend an assignment. The Agency does not go find the entity to whom they will assign the development rights, and has never done it that way. It is in the interest of fast tracking and expediting this development to have the assignment occur, because that means something is likely to happen more quickly than if the Agency begins totally new on this parcel. It is worth going to October 30th to facilitate this development and if it does not occur then we will be in a position of deciding how to reoffer the site. Nothing is lost in terms of control during the interlude of this month.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. LEE, THAT RESOLUTION NO. 306-82 BE ADOPTED AND ON ROLL CALL THE FOLLOWING ANSWERED "AYE":

Mr. Lee
Mr. Arnette
Mr. King
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING ANSWERED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (1) Resolution No. 307-82 requests authorization of a Second Amendatory Agreement to the LDA with Roosevelt and Altheda Carrie for the parcel located on the southeast corner of Sutter and Steiner in the Western Addition A-2.

Mr. Hamilton reported on item (1) as follows. An LDA was authorized on October 6, 1981 with a First Amendatory granted on February 16 of this year. The developer has completed the requirements of the LDA in a timely manner with the exception of the mortgage financing. The Carries have completed applications with several lenders without obtaining a firm commitment and have requested an extension to continue efforts in finalizing the financing. This amendment would extend to October 19, 1982 the time for submission of evidence of financing with Conveyance of the Site to no later than November 10, 1982. Approval of this extension is recommended.

Ms. Blomquist indicated that the Agency authorized this LDA on October 6, 1981 and the memo said it would be reappraised November 10, 1982 but that time period is not 18 months, and inquired why the Agency is appraising ahead of time.

Mr. Hamilton asked Mr. Hunter Johnson, Chief of Rehabilitation to explain why it was not the normal 18 months. Mr. Johnson responded that the 18 months is a former HUD requirement as an absolute outside date. In our current, and for the last few years, LDA's the term used is the absolute conveyance date and that date is routinely six months past the first conveyance date set in the LDA, which is agreed upon by Agency staff and the developer as a reasonable period of time when he can do everything that he is supposed to do. The term of the LDA says if they go past that initial conveyance date by more than six months, its subject to reappraisal.

NEW BUSINESS (continued)

Ms. Blomquist indicated this is the first she had heard of this, as the Agency has been living with the 18-months reappraisal for years and all of a sudden the rules have been changed. Mr. Johnson indicated he would stand corrected by Mr. Leo Borregard, Agency General Counsel, if that was not the case. Mr. Leo Borregard indicated that it is his recollection that under the HUD regulations providing requirements for reappraisal there are two kinds of dates. The first is 18-months from execution of the document. There was also a six months date from the initial conveyance date, which was specified in the document. Under either of those circumstances the reappraisal could be required. In his experience recently he did not recall or at least was not made aware of dates which were less than 18 months from the execution date as an absolute conveyance date. He said in all candor that it is possible this may have been in some agreements and there may be a possibility that in rehabilitation the practice may have been different. But generally he would have to say he always understood it to be 18 months as the absolute outside date. Ms. Blomquist indicated the Agency should not change in mid-stream and Mr. Hamilton stated he agreed. Ms. Berk inquired if the LDA would be changed to reflect the correct date and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-82 BE ADOPTED.

- (m) Resolution No. 308-82 requests authorization of a Fourth Amendatory Agreement which will extend the date for Submission of Evidence of mortgage financing by 42 days of the LDA with KP00 and Associates for the property located at 1325-29 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (m) as follows. The LDA was approved in August of last year for the rehabilitation of this four-story wood framed building containing 16 studio apartments with ground floor commercial space. The commercial space is proposed as a permanent facility for KP00 Radio, a public service non-profit educational station. The developers have completed all requirements of the original LDA with the exception of financing the project. On September 14 a Third Amendatory was approved that extended the termination date of the LDA by two weeks. The purpose was to explore with staff and KP00 a further extension which would permit the Agency to look at the problems and some alternative suggestions for packaging and arranging financing. KP00 Radio has requested a 90-day extension and Mr. Becker of KP00 and Associates believes that an extension is indeed appropriate to explore how this development can be restructured and packaged. Mr. Hamilton indicated he had been advised in discussions today that KP00 is in agreement, that the proposed extension is time enough, and sufficient to restructured the development proposal for a subsequent submission to the Commission. Staff is recommending 42 days for submitting

NEW BUSINESS (continued)

evidence of financing so that the additional 42 days along with the 30 days normal default cure period will occur by the Abatement Proceedings relating to this building. If this building is not conveyed by October 27, the property is subject to a reappraisal and also if the use is changed from residential rental to residential condominium, which would require Commission action, it would also likely include a reappraisal. Staff recommends approval of this Fourth Amendatory Agreement which provides KPOO and Associates with a minimum of six weeks to obtain financing.

Mr. Hamilton indicated that there had been a change to the amended Resolution which the Commission has before them and Mr. Leo Borregard, Agency General Counsel will propose a further amendment consistent with discussions held with the principles of this development.

Mr. Borregard indicated this Fourth Amendatory Agreement is structured to provide for an absolute conveyance date with provision for reappraisal and extension of the absolute conveyance date. This the Agency has done on other occasions. Mr. Borregard indicated it is his understanding that the concept of the Fourth Amendatory has been approved by the developer. However, there were some changes in language regarding the reappraisal procedure that the developer did not have the opportunity to review. Accordingly, the Fourth Amendatory Agreement, has not been executed by the developer, which is customary, before it comes before the Commission. Mr. Borregard indicated he did supply them with a proposed revision to the Resolution, which he is further revising by deleting the word "First" in the underlined portion which would require the developer to sign by Friday 5:00 of this week. Mr. Borregard then noted that October 27, 1982 is less than 18 months from LDA execution and discussed his understanding of the absolute conveyance date, Agency Policy and HUD Policy.

Mr. Hamilton suggested that since the negotiations and development efforts on this building started when the application of conveyance requirements with respect to time of reappraisal were consistent with the 18 months that that applied. If so, the October 27 date then necessarily needs to be adjusted to whatever date is consistent with the 18-month policy.

Mr. Borregard indicated that in that case then the date which refers to where it says for purposes of Section 8.15 the absolute conveyance date is 5 p.m. which is in the amendment October 27, 1982 that date could be changed to make it 18 months from August 25, 1981 whatever that date would be which would then eliminate any necessity for reappraisal until that date was reached. I understand all staff is in agreement with that and Mr. Johnson assures me that he was following what the contract said.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-82 BE ADOPTED.

- (n) Resolution No. 309-82 requests authorization of a Sixth Amendatory Agreement to the LDA with Elizabeth Jamerson for rehabilitation for 685-91 McAllister Street in the Western Addition A-2.

Mr. Hamilton reported on item (n) as follows. The LDA was authorized in August 1980 with subsequent extensions until August 31, 1982 to submit Evidence of Financing. All other requirements of the LDA have been met. The Fifth Amendatory Agreement was recommended because Mrs. Jamerson had received a Section 312 Loan Allocation of \$460,000, which was contingent upon the developer providing a firm commitment from a conventional lending source for the remaining \$600,000. HUD has extended their original deadline of August 27 to a final date for reserving these funds of September 30, 1982. It appears a commitment of funds has been obtained in the amount of \$450,000, leaving \$150,000 short of the amount needed. Staff wishes to allow the developer to continue working to close the financing gap as long as HUD is willing to continue processing the loan. This extension would extend the termination date by two weeks until October 12, which would also place the Agency in the position of having conclusive information to provide the Court in their next appearance concerning the abatement proceedings on October 14, 1982. Staff recommends approval.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-82 BE ADOPTED.

- (o) Resolution No. 310-82 requests approval of the Affordable Condominium Program and authorizing the marketing brochure and advertising, for the 31 rehabilitated units in various locations in the Western Addition A-2.

Mr. Hamilton reported on item (o) as follows. Staff is recommending that the 31 units be sold at market prices with a financing program that accomplishes the goal of making these homes affordable to families and individuals with incomes ranging from 80% and 150% of San Francisco's median income. Specifically, a conventional first loan with an institutional lender will be arranged for each purchaser in an amount that can be supported by 25% of the household's total income. A minimum down payment of 5% will be required and the balance of the price will be carried back by the Agency in the form of an all inclusive trust deed with contingent interest based upon the appreciation in the condominium unit. the amount of the loan carried back by the Agency will be repaid beginning in the second year of ownership by a 4% annual increase in the monthly debt service payment.

NEW BUSINESS (continued)

Staff has agreed it is desirable to establish sales prices for the completed units based on the lender's appraised values as they only exceed the values provided in 1981 by less than 6%. Use of these appraised values will produce only a small economic effect on the Agency cost of producing affordable housing and appear to be within the range of accuracy of the valuation opinions. The marketing program has been developed to reach the greatest number of certificate holders as well as the general public. The campaign will open with a publicity release and a mailed announcement to all certificate holders with known addresses, as well as those who have requested information. The planned newspaper advertising will cost \$2,032 and five newspapers will be used. The lowest bid received for the brochure which will describe the program in detail was \$2,900, which includes preparation of the necessary artwork to prepare the material for printing. Expenditures are not to exceed \$5,000 to cover both the advertising and marketing brochure. Staff recommends approval of the affordable condominium program and authorizing the marketing brochure and accompanying advertising.

President Berk left the meeting at this time, 6:25 p.m. and Mr. Lee assumed the chair.

Ms. Mary Rogers, WAPAC, requested that this item be held for one week as WAPAC had just received the selling prices on the properties on Friday, and would like WAPAC's full board to have time to have some input. Mr. Hamilton responded that WAPAC's concerns had been brought to his attention this morning concerning the selling prices and that staff had just recently received those prices. However, as early as June the Condo Program was provided to the Community and now looking at the sales prices, they fall below some of the earlier prices. The information given in June was good information and nothing is new with respect to the prices.

Mr. Hamilton also noted that the other issue Ms. Rogers raises is the question of the down payment. The program anticipates a 5% down payment, which if you look at the selling prices amounts from \$4,000 - 5,000 for the lower units, and with the highest unit of \$250,000 having a down payment of \$10,000. The lenders will require that the purchaser meet the down payment, which are reasonable as a down payment and establishes a financial capacity and responsibility to the lender and is not onerous or unreasonable where the community is concerned. A significant time problem is developing here in getting into the market and it is beginning to be a crunch. This has gone much longer than expected and a schedule of activity is provided that expects us to be in a position in November to begin closings. The Agency won't get there if they do not expedite the process. Ms. Blomquist indicated her support of Mr. Hamilton's comments and inquired why the prices are different between Attachment B, the estimated sales price and, Exhibit I, the lender market value estimates. Mr. Johnson indicated that the estimated

NEW BUSINESS (continued)

sales price is what the staff person took from two previous appraisals and correlated them and came up with this price. Ms. Blomquist indicated that the lender prices are much higher and Mr. Johnson indicated some are higher and some are lower, the total overall price difference is 6%. Ms. Blomquist inquired if the actual price would then be on Exhibit I under the lender's appraisal and Mr. Johnson responded affirmatively. Ms. Blomquist inquired if the estimated sales price is valid and Mr. Johnson indicated no, that was an earlier piece of information that is no longer correct. Mr. Hamilton indicated these were used for comparison purposes.

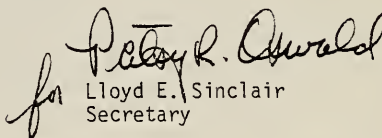
Ms. Blomquist inquired if the purchaser held the unit for four years, could they sell and then make 36% return on their money. If that is so, it is very bad and should be more strict. Mr. Johnson indicated that was only about 8% compounded per year, which is based on the average increase in median income. The purpose was for it to remain affordable to the same group of people, that is as the median income goes up, the price of the house and amount of mortgage a household can support goes up proportionally and is not tied to some kind of cost of living index. Ms. Blomquist then inquired that if someone wanted to buy it they would then need \$20,000 rather than the original \$7,000. Mr. Johnson responded affirmatively; it is still 5% of the sale price, it all goes up based on inflation and the expected increase in the median income. If the median income does not go up by that much then those figures won't go up either. Ms. Blomquist inquired if the Catalyst units would be included in this program and Mr. Johnson responded no. Ms. Blomquist requested that staff look at the resale provisions on the new program, as the Agency does not get much back and the second buyer has to pay more and she believed there has got to be a better way to do it.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

November 23, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF OCTOBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of October, 1982, the place and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

None

President Berk declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were David Fleming and Robert Donner, State of California; Wade Woods, Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Margaret Brady, Parking Authority; and Owen P. O'Donnell, Dave Cincotta, Joseph Skiffer and Roy Chew, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of August 31, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of September 14, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Black Chamber of Commerce luncheon was held today and Mr. Hamilton accepted an award for the Agency which recognizes the efforts of this Agency's staff and Commission to assist minority business in general and black business in particular. Mr. Arnelle was also in attendance.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the sale of Parcel 3735-D to the Parking Authority, Yerba Buena Center.

President Berk opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 311-82, requests authorization of an LDA with the Parking Authority for Parcel 3735-D located on the northeast corner of Third and Clementina Streets in the Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. Negotiations with the Parking Authority have now been completed and the Parking Authority has gone out to bid for construction of a public parking garage. Bids were to have been received yesterday on October 4 however, since the memo was sent to the Commissioners, staff has been advised by the Parking Authority that an addendum has been issued and the bid opening has been delayed until October 15. The addendum was at the request of the City Planning Department who had requested design changes. This later bid opening will not delay the other elements leading to the Bond Sale. The estimated start of construction for the garage is early January 1983. The Performance Schedule in the LDA has allowed for some slippage in the schedule leading to the sale of bonds and start of construction, which are: Submission of Final Construction Documents by March 30, 1983; Submission of Evidence of Financing by June 1, 1983; and Conveyance of the site by June 30, 1983. The LDA with the Parking Authority retains the Agency's possession of the air rights above the garage for development of 122 housing units by Forest City Dillon. Staff anticipates submitting an LDA with Forest City Dillon to the Commission for approval towards the latter part of November. Staff recommends approval of this LDA with the Parking Authority for a public parking garage on the northeast corner of Third and Clementina.

Ms. Margaret Brady, Director of the Parking Authority, indicated that she believed all the problems had been ironed out with respect to the air rights; that she hoped the housing would proceed; and that approximately 50-60 bid packages on the garage had been picked up.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Leo Borregard, Agency General Counsel, referenced Ms. Brady's comment on air rights and requested that language be added to the LDA in regard to air rights adjacent to the garage in addition to over the garage and that the specific language describing these air rights would be developed by the attorneys involved.

Mr. Arnelle inquired if this amendment changed the general terms of the Agreement or only the reference to the adjacent air rights and Mr. Borregard indicated the amendment would only add the air rights language.

NEW BUSINESS (continued)

Ms. Blomquist inquired what the sales price of the parcel is and Mr. Michael Mann, Business Development Specialist, indicated \$1,480,000.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-82 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the Disposition of Parcels 677-B and C(1), Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 312-82, requests authorization of an LDA with Bushmoor Associates for the parcels located on the eastside of Fillmore between Bush and Sutter in the Western Addition A-2.

Mr. Hamilton requested that Item 9 b be held temporarily until later in the Agenda.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be continued to later in the agenda at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 313-82, requests authorization of a Second Amendatory Agreement to the LDA with the State of California for Parcels 767-A and B located in the block bounded by Van Ness, Golden Gate, Franklin and McAllister in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. An LDA was authorized in June of last year with the State for development of an office building and garage. In the fall of last year the State was ready to proceed, however, with State revenue shortages the Governor ordered a moratorium on tax revenues for capital expenditure which included the planned office building. The State was given a nine-month extension in November of last year in order to find other financing methods. Since that time the Agency and the State have investigated legislative approaches to securing financing, but have been unsuccessful. Staff and the State are now exploring the possibility of creating a Joint Powers Authority (JPA) composed of the State and Agency representatives and in that connection the State is now requesting a 180-day extension to explore creation of a JPA. This entity will have the authority by special legislation to construct the building, as the Agency does not have this authority and the State would like to avoid a cumbersome bidding procedure. The JPA would also issue tax exempt bonds to provide construction and long-term financing with lower interest rates. The JPA would then lease the building to the State, and the lease payments would discharge the bonds. Agency General Counsel is reviewing a model form of JPA now in use in Los Angeles, and staff will return to the Commission with a recommendation regarding the JPA. The State has

NEW BUSINESS (continued)

been advised that a reappraisal will be necessary because conveyance of the site is not expected to occur before the price expiration date of December 16. A further Amendatory Agreement incorporating the new price into the LDA will be brought to the Commission for consideration when a new price has been determined. Approval of this extension is recommended.

Mr. Newman indicated he felt a 90-day extension would be more appropriate than a 6 month extension and inquired if there would be any problem with that and Mr. Byron Rhett, Business Development Specialist indicated that he believed staff could not accomplish all of the matters that it takes to issue the Bonds in that time. Mr. Newman indicated this was a most desirable parcel and if it is not feasible for the State to do, then it could be used for much needed housing.

Mr. Hamilton suggested a 120 day report to the Commission on staff's progress. Mr. Newman indicated he would like staff to come back with alternatives in 120 days if the Joint Powers Authority proposal was not feasible and moved that the Second Amendatory be changed to a 120 day extension instead of 180 days.

Mr. Arnelle indicated he was not happy with the long delay and inquired why it would take so long. Mr. Rhett explained that it takes at least four weeks to put the Joint Powers Authority Agreement into place. Then the State has to bid for construction of the building and that is six weeks to two months, all of which must be done for the Bond issue. The prior time was used on a legislative approach that did not work out.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-82 BE ADOPTED AS AMENDED TO PROVIDE FOR A 120 DAY EXTENSION.

Mr. Hamilton noted that all dates in the LDA would be changed to note the reduction from a 180 to a 120 day extension.

At this time President Berk inquired if Mr. Hamilton would like to continue with item (b) on the agenda and Mr. Hamilton replied affirmatively.

Mr. Hamilton indicated that on behalf of Mr. Skiffer, he requested that this public hearing and action on this item be held for one week.

President Berk inquired if there was anyone at tonight's meeting to speak on the public hearing that could not come back next week and Mr. Owen O'Donnell representing John Brennan indicated he would like to speak today as well as next week and asked that a letter he had be distributed to the Commissioners. Mr. O'Donnell then summarized the letter and indicated his opposition to item (b) and requested the item be held for 90-days to open up this parcel to other

NEW BUSINESS (continued)

developers for submission of proposals.

Mr. Wade Woods, WAPAC, indicated that if this item is continued until next week he would speak at that time.

Mr. Hamilton indicated his request for a continuance did not relate to Mr. O'Donnell's concerns but it was fortuitous.

Mr. Lee inquired about the financial positions of the owners as there were no documents regarding ownership from staff and Mr. Joseph Skiffer indicated that staff had those documents and Mr. Hamilton indicated those would be sent to the Commissioners.

- (d) Resolution No. 314-82, requests authorization to reinstate Salary Resolution No. 124-78 for a 5 month period, July 1 through November 30, 1978 to permit payment of salary increases that had been frozen for that period.

Mr. Hamilton reported on item (d) as follows. Following passage of Proposition 13 in June, 1978, Mayor Moscone declared a state of emergency which froze salaries at the 1977-78 rates for City and County employees. Money was available in the Agency's budget to pay the increases; however, the Agency rescinded the resolution to maintain comparability with the City. Subsequently, Mayor Feinstein entered into negotiations with the unions and agreement was reached on a 7 month retroactive payment from December 1, 1978 to June 30, 1979 with most of the major unions. On the basis of comparability with the City, the Commission reinstated the Salary Resolution. Agency employees were paid for seven months back pay. The City and County, after a long legal battle, has now agreed to a settlement for back pay for the remaining five months of salary increases for all City employees plus 7% interest per year, with payments to be made by the end of this month. The average increase then for Agency employees was 5.2% and the total five months back pay is approximately \$151,000 including four years of compounded interest at 7%. Funds allocated in the 1978 budget to pay the increases were reprogrammed to reduce subsequent CDBG allocation requests and the Mayor's Office of Housing and Community Development is exploring the possibility of obtaining City funds to cover the back pay partially or fully fund the back pay with Federal funds. If no additional CD funds can be obtained, funds can be found within the current budget allocations and OHCD has informally indicated that they will approve any line item transfers necessary to permit payments of the back pay. Staff recommends approval of this back pay resolution to maintain comparability with the City.

Ms. Blomquist indicated reluctance to approve this item when it is not known where the funds are coming from and inquired if there was any reason why this couldn't be held for one week. Mr. Hamilton indicated that Mr. Harold Bell, Deputy Executive Director for Finance and Administration is out ill, but staff has discussed the question of the funding source and perhaps Mr. Nybakken can respond.

NEW BUSINESS (continued)

Mr. James Nybakken, Personnel Officer, responded he does not know where the specific funds will be coming from and, in answer to the second question, action today would permit time to get the work done prior to the end of this month when the checks had to be sent out. Juanita Williams, Vice President of Local 400, requested the Commission vote in favor of this item.

Mr. Mardikian inquired why Commission action was required if the Commission has already given permission for the Agency employees to be comparable with City employees and Mr. Leo Borregard, Agency General Counsel, indicated that the Commission votes each year on the salary resolution and this particular one and had been rescinded and needed to be reinstated.

Mr. King indicated this is money owed the employees regardless of where the funds come from and it should be paid and acted upon now as Ms. Blomquist always votes against additional salary for staff and if held over one week she will still vote no.

ADOPTION: IT WAS MOVED BY MR. KING, AND SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 314-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist indicated she was voting no, not because of the item but because it is not known where funds will come from.

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

President Berk requested that Mr. Harold Bell provide an informational memorandum to the Commission regarding the source of funds to be used, and Mr. Hamilton replied that would be done.

- (e) Resolution No. 315-82, requests authorization of a Change Order to the Contract with Ferma Corp. in an amount not to exceed \$2,155.

Mr. Hamilton reported on item (e) as follows. This contract was awarded in June of this year to provide demolition and clearance of

NEW BUSINESS (continued)

the Independent Oil Site at 430 Keith Street in the India Basin Industrial Park. While performing the work the Contractor encountered a concrete foundation wall below grade, which was outside the scope of the contract. The wall was not included in the contract since it was covered by a foot of fill and not seen during field inspection. The contractor requested additional payment for its removal and since removal of this wall was necessary in order to provide a clear site for future development, staff instructed the Contractor to proceed with the work while maintaining a record of the costs incurred. Staff's analysis showed that the claimed amount is fair and reasonable and recommends approval of payment to Ferma Corp. of \$2,155 for this change order.

Mr. Arnelle left the meeting at this time, 5:00 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-82 BE ADOPTED.

- (f) Resolutions No. 316-82 and 317-82, request authorization of Agreements for Legal Services with the law firm of Steefel, Levitt & Weiss and with Robert C. Evans, Jr. in connection with Phase III in Hunters Point.

Staff is requesting that both of these items be held for one week to allow time for additional information on the Steefel firm's Affirmative Action Program to be submitted.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that items (f) and (g) would be continued for one week at staff request. There being no objection, it was so ordered.

- (h) Resolution No. 318-82, requests authorization of a First Amendment to Developer Agreement with Bay Vista Homes in connection with the Agency's Residential Mortgage Revenue Bonds 1978 Series A in the Hunters Point Project. This agreement modifies the permitted reduction of Mortgage Loan interest rates.

Mr. Hamilton reported on item (h) as follows. On December 1, 1981 the Commission approved the issuance and sale of tax exempt Mortgage Revenue bonds to provide permanent financing for 55 single family residences to be constructed by Bay Vista Homes in Hunters Point. One of the documents is the Developer's Agreement, which contains and describes the Agency's agreement to issue bonds and the Developer's obligation to construct and market the residences in order to utilize the bonds proceeds. The current agreement provides that the interest rate on the loans shall be 13.4% with the Developer permitted to effect a reduction or "buy down" of this rate to 13% for the first three years by depositing a sufficient amount of money with the Bond Trustee to permit more potential purchasers to qualify for the loans. Because of the disappointing sales volume in the current economic situation, the Developer has requested that

NEW BUSINESS (continued)

the buy down provisions of the Developer Agreement be amended to permit the interest rate on the Mortgage Loans to be further reduced to 10.5% in the first year, 11.5% in the second year and 12.5% in the third year. This reduction has been approved by all parties involved; will have no substantive effect on the bonds nor adversely affect the Agency's interest; and approval is expected to facilitate the sale of the units. The Developer intends to secure the buy down funds by increasing the sales price for his units. Although the developer has no present obligation to the Agency limiting the purchase price per unit, he has indicated an intent to ask \$136,000 for a typical unit. The previously planned price was \$130,000. The \$6,000 plus or minus increase is the direct cost of the proposed interest payment. It increases the down payment by about \$200 and reduces the qualifying income by about \$1,100. A buyer who can qualify without the buy down can still buy for \$130,000. Approval of the First Amendment to the Developer Agreement is recommended.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-82 BE ADOPTED.

- (i) Resolution No. 319-82, requests authorization to execute a Personal Services Contract with Winzler & Kelly for design, contract documents, construction consultation, and related services for the South Beach Small Boat Harbor and Park in Rincon Point - South Beach in the amount of \$1,300,000.

Mr. Hamilton reported on item (i) as follows. This facility is anticipated to be developed in three major phases corresponding to availability of the property for development as determined by the lease agreement being negotiated with the Port and by other consultants. Stage 1 involves construction of the Harbor. Stage 2 involves development of Pier 40. Stage 3 involves construction of the Park. The work is scheduled for a four year period. The overall contract amount of \$1,300,000, or 4½% of the anticipated cost of construction of \$28.8 million is considered reasonable for the work. Winzler & Kelly's San Francisco office, located at 604 Mission Street, will manage the work of the design contract and do the Civil and Structural Engineering. Other design work will be subcontracted to ten or more consultants. Since the contract will run four years or more, and there will be ten or more subcontractors, no specific fee schedules are included in the contract, but will be negotiated as the need arises. Of the \$1.3 million, \$895,000 is available in the 1982 and 1983 CD budgets and additional funds are anticipated as the project proceeds. The Agency is not obligated to authorize the work if funds are not available. The consultants has committed to a goal of 25% of Minority Business Enterprises, 5% Woman Business Enterprise and diligent efforts to employ underrepresented minorities at as high a level as possible. Staff finds the consultant's MBE/WBE and Affirmative Action programs satisfactory. Staff recommends approval.

NEW BUSINESS (continued)

Mr. Lee indicated that this is the largest consultant contract recommended to be approved and that he had full confidence in this team as they have done an excellent job so far, however, he inquired if Mr. Frank Cannizzaro, Project Director, would manage to be monitoring the consultant phases. Will he be dealing strictly with Winzler and Kelly itself or also the subconsultants. Mr. Cannizzaro responded that the Agency would be dealing with the prime consultant Winzler & Kelly who has appointed a project manager and our staff, namely Bob Isaacson, Project Engineer, will have day-to-day contact with the project manager to review the progress of the project and to keep management control over the non-fees being consumed or expended. The monthly progress payment will be checked with the time sheets that each one of the subconsultants submit and those in turn will be balanced against the work product that has been turned out.

Mr. Lee inquired if anticipated start of construction in 1983 for the first phase was fairly accurate and Mr. Cannizzaro indicated yes if all falls into place.

Mr. Newman indicated this was an extremely large sum for a consultant contract and inquired if sufficient opportunity was given to others to be participants and were other prime contractors invited to bid. Mr. Cannizzaro responded not for this phase, but prior to the feasibility study they were and though it was considered going through proposals, but staff felt 4-5 months could be saved in the selection process and 9-12 months in construction time if the Agency proceeded with this team.

Ms. Blomquist inquired what the status of the Port Lease is and what the "sticking point" is and Mr. Cannizzaro indicated the "sticking point" is money. Port staff has approved the agreement and the Port Commissioners are now being briefed and hope to have a lease approved soon. Ms. Blomquist inquired if approval would be by mid-November and Mr. Cannizzaro indicated it was hoped it would be earlier, but mid-November is a reasonable estimate.

Ms. Blomquist inquired if the floating restroom under Stage I is temporary and Mr. Cannizzaro responded negatively and that BCDC and Cal Boating have also asked about this. Some of the piers get rather long and the design calls for a restroom on the pier, but all sewage is pumped to shore-side pipes and not dumped into the bay. Ms. Blomquist indicated she would like this to be reconsidered as it sets a precedent for others and Mr. Cannizzaro indicated they were always in the mode to reconsider, but some of these things have functional constraints that have to be looked at. But whatever is done will have to be done in a tasteful way.

Mr. Cannizzaro introduced Mr. John Winzler of Winzler and Kelly and Mr. Winzler then introduced the team members.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 319-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

Lloyd E. Sinclair
Secretary

APPROVED

October 12, 1982

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF OCTOBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of October, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Haig Mardikian
Walter S. Newman

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and the following was absent:

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Dian Blomquist
Leroy King (arrived at 4:17 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were M.J. Staymates, WANA; Ocie Rogers, Joint Housing Committee; Mary Helen Rogers, Wade Woods, Western Addition Project Area Committee (WAPAC); Norman Smith, CECCO, Golden Spear Construction; Joe Madona, Olympia & York; Joseph Skiffer, Bushmoor Associates; Germaine Wong, CAO; Calvin Welch, South of Market Alliance; and Roy Chew and Orville Luster, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner, and E. Cahill Mahoney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 5, 1982, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the Disposition of Parcels 677-B and C(1), Western Addition A-2.

Resolution No. 312-82, requests authorization of an LDA with Bushmoor Associates for the parcels located on the eastside of Fillmore and Bush in the Western Addition A-2.

UNFINISHED BUSINESS (continued)

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. This item was continued from last week's meeting at staff's request. Authorization is requested of an LDA with Bushmoor Associates for the parcels located on the east side of Fillmore between Bush and Sutter Streets. In March 1980 an LDA was authorized with Bushmoor Associates for development of 36 market-rate condominiums and retail commercial space on one of the parcels. Though Bushmoor was eligible for SB-99 financing they were unable to structure that bond issue and were subsequently placed in default for failure to submit evidence of financing. The default was not cured and the LDA automatically terminated. Bushmoor Associates has requested to proceed with the proposed development and have reconstituted a partnership adding United Federal Savings (UFS) as a general partner, which has provided Bushmoor financial strength to go forward. The partnership has contracted with American Realty Credit, a New York Mortgage Broker, to structure a bond issue for construction and permanent financing. UFS will provide a construction loan commitment to the development to begin expeditiously and then replace that commitment with the proceeds of the bond issue upon its sale. The adjacent parcel just east of the original development is now recommended for inclusion in this development, through negotiations with the developer, because staff felt that while inclusion of this parcel is not essential to the original proposal it would greatly enhance the development. This parcel was originally identified for the Housing Authority. Bushmoor would develop this parcel as a second phase with 14 market-rate residential condominiums consisting of 5 studios, 5 one bedrooms and four 2 bedrooms. Performance dates for Phase I, for the 36 condos and commercial space, would be submission of evidence of financing by November 5, 1982; commencement of construction by January 6, 1983. For Phase II, the development of 14 condos, submission of evidence of financing will be by September 16, 1983 with commencement of construction by December 17, 1983.

Mr. Hamilton indicated that at last week's Public Hearing, Mr. Owen O'Donnell, Attorney, representing Mr. John Brennan, testified on this matter and submitted a letter listing several concerns about the Bushmoor development. Staff has analyzed that particular statement and provided a response in a memorandum to the Commissioners and a copy of that memorandum has been transmitted to Mr. O'Donnell.

Mr. Hamilton summarized the salient issues raised by Mr. O'Donnell in his letter of October 5, 1982 and staff's response as contained in the memorandum to the Commission dated October 6, 1982 (a copy of Mr. O'Donnell's letter and the memorandum to the Commission is attached as part of these minutes). Mr. Hamilton also noted that the staff's management of this matter was consistent with the Agency's objective to provide housing.

UNFINISHED BUSINESS

Mr. Owen O'Donnell referenced his letter of October 5 and indicated he had just received this date, the memo to Agency Commissioners dated October 6 responding to his letter and his objections had not changed.

Mr. Mardikian asked Mr. O'Donnell if his client had contacted the Agency between October 15, 1981, the time the original LDA expired, and two or three weeks ago and Mr. O'Donnell replied that his client had talked to Byron Rhett, the Agency's Business Development Specialist about two weeks ago after he had seen the Public Hearing advertised regarding this parcel.

Mr. Arnelle indicated that there are several points to the argument Mr. O'Donnell presented, but two seem to be more critical than the others. Point Number One is that since the original offering there has been a change in Bushmoor of a new general partner with a 50% interest. And, that Mr. O'Donnell believes this represents a substantial part of his argument as to why the matter should now be re-opened to public bid. Mr. Arnelle also noted that Mr. O'Donnell believes that since Bushmoor was not able to perform the original offering, Mr. O'Donnell concludes they may not be able to perform even at this time, with the new partner and inquired of Mr. O'Donnell if he agreed this point is speculative at best? And Mr. O'Donnell responded it could be speculative, but it has to be viewed in light of the history. Mr. Arnelle indicated he understood the history as outlined, but the argument assumes that there is a possibility of a future non-performance based upon the past history. Mr. O'Donnell responded, it does amount to an attempt to predict the future, and to that extent it is speculative.

Mr. Arnelle indicated the next point concerns the land value and that Mr. O'Donnell had noted that land in San Francisco sells for \$20,000 per unit and if the Agency appraises the land at \$9,600 per unit, this would represent a \$10,000 difference per unit and a loss to the City on a 50-unit development of roughly 1/2 million dollars according to Mr. O'Donnell's calculations. This is an issue that does not go to the question, necessarily, of whether or not the application process should be opened up, but addresses the question of how one values the present land value. And, Mr. O'Donnell takes issue with the recent appraised land values that Mr. Hamilton has noted.

Mr. O'Donnell responded affirmatively and noted that his client is also prepared to offer more money than the Agency is asking Bushmoor to pay.

Mr. Arnelle indicated that the Agency's appraisal price for the land itself has doubled in value, and obviously it's worth more now than it was worth at the original offering and although there is a relationship between the appraised value and the per unit value, one could arrive at different per unit values depending upon the appraisal base. Mr. Arnelle inquired of Mr. O'Donnell if he agreed

UNFINISHED BUSINESS (continued)

with that and Mr. O'Donnell responded that appraising is not a science, it's an art, and artists differ.

Mr. Arnelle indicated that Mr. O'Donnell's argument is really concerned with if there has been a change of entity. That, if there has been a change, Mr. O'Donnell feels his client, and any other person should be able to now bid on those parcels. Mr. O'Donnell has also indicated that an additional adjacent parcel has been wrapped into the proposal, which was not in the original proposal and Mr. O'Donnell responded that, in addition, the selection process was very unusual since the Agency evaluated the developers' packages only in terms of general characteristics.

Mr. Arnelle indicated that Mr. O'Donnell was now addressing the original submittal which was several years ago and not the present proposal and Mr. O'Donnell responded that his client had made a submittal at that time, and, his client was ruled not as qualified as Bushmoor although his client's plan was only one or two out of eleven that conformed to the Agency's guidelines and that Bushmoor had since not performed.

Mr. Arnelle inquired of Mr. O'Donnell if he agreed that it frequently happens that what makes the difference between who does and does not get the particular project may often turn, in retrospect, on what might appear to be some curious kinds of analysis, but at the time, the decision appeared to be proper to that Commission, and Mr. O'Donnell responded affirmatively.

Mr. Arnelle inquired of Mr. Hamilton in terms of the issue Mr. O'Donnell raises concerning the change of entity, does a new general partner with 50% interest represent, in the history of past considerations by the Commission, a substantial change in the entity?

Mr. Hamilton replied that it was not unusual, that a precedent had been set before, most recently and specifically Vanguard Development on Turk and Van Ness. Mr. Hamilton explained that United Federal Savings brings strength to the development and the Bushmoor partnership and indicated the current proposal enhanced the quality and presented a superior design over the original proposal.

Mr. Wade Woods, WAPAC, indicated that the WAPAC Board had approved this development and requested the Commission act favorably on it.

Mr. Orville Luster, Mid-Town Park, spoke in favor of this development.

Ms. Mary Rogers, WAPAC, approved the recommended disposition of Parcel 677-B, but not Parcel 677-C.

Mr. Joe Skiffer, General Partner of Bushmoor Associates, indicated that the building permit is ready, as well as a letter of credit and Bushmoor will be ready to break ground in the next 20-30 days.

UNFINISHED BUSINESS (continued)

Mr. Mardikian inquired how important Parcel 677-C is to the development, and Mr. Skiffer responded it increases its marketability.

Mr. Arnelle inquired if Mr. Skiffer was saying that the project is financially impossible without this parcel and Mr. Skiffer indicated no, but that it enhances the overall project.

Mr. Lee inquired if anyone from United Federal Savings (UFS) was attending the meeting, and Mr. Skiffer indicated no. Mr. Lee inquired if Mr. Skiffer preferred proceeding with both parcels and Mr. Skiffer responded affirmatively.

Mr. Hamilton explained that this development strategy has been considered at great length and though the additional parcel was not economically critical to the project it was recommended because of its logic and because it enhances the development. Last week this item was requested to be held before the O'Donnell letter was received. The reason it was held was to review the amount Bushmoor would be contributing to the Housing Fund, which has now been determined to be \$125,000.

Ms. Mary Jane Staymates, WANA, indicated that the developer should not be given "carte blanche" on this development, as other developers had been interested in this parcel and if Bushmoor could not perform within a certain period of time then it should be opened up to other developers.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Mardikian and Mr. Newman inquired about the scheduling dates in the LDA and Mr. Hamilton indicated that November 5 was the date evidence of financing was to be submitted, December 6 to convey the site and start of construction is scheduled for January 6, 1983. All of which is a very tight schedule.

Mr. Newman inquired if the SB-99 financing would be in place by November 5 and Mr. Skiffer indicated no, but the construction loan would be in place.

Mr. Lee inquired about the profit sharing policy on this development and Mr. Hamilton responded that approval of this development was prior to the Agency's profit sharing policy, but that this development, as well as Divisadero Heights, provides a subsidy that meets those objectives and Mr. Skiffer has agreed to pay \$125,000 to a housing fund which applies to both parcels.

Mr. Newman inquired if the schedule was fail-safe and if construction would start in 90 days and Mr. Borregard responded that there is a 30-day cure period in the LDA if the developer should not meet the schedule. Mr. Newman inquired if the construction would start no later than the end of January and Mr. Hamilton responded affirmatively.

NEW BUSINESS (continued)

negotiations, it may become necessary to consider an additional extension that would provide time for an adequate public review of the draft LDA prior to a public hearing and your consideration for action. Negotiations are at a point that it is hoped in the near future the fundamental business terms will be closed upon and a principle agreement reached, which will be the subject of discussion prior to Commission action on an LDA. Mr. Hamilton then asked Mr. Joe Madonna the developer's representative if the 90 day recommended extension meets with approval of Olympia and York et al and second if all the documentation which has been transmitted is acceptable. Mr. Madonna replied affirmatively to both questions.

Mr. Calvin Welch, representing South of Market Alliance, referred to a meeting of the Directors Advisory Group (DAG) on September 13 when allegedly Mr. Hamilton gave the members of DAG a status of the YBC negotiations and what the City's "bottom line offer" was to Olympia and York. South of Market Alliance learned that the offer does not include a "Neighborhood Benefits Package" and that the Agency was not recognizing what the EIR on YBC clearly stated that mitigation measures which are required by State Law must be taken to lessen those harmful impacts this development will cause. Mr. Welch urged the Commission to direct Agency South of Market alliance staff to adhere to the letter of the law and he indicated that the South of Market Alliance would sue if it had to in order to assure the Agency's compliance.

Mr. Hamilton indicated Mr. Welch's account, which was apparently based on a recent newspaper article, was totally inaccurate and that he has been misinformed and does not have information on where the negotiations are and this can be confirmed. The Director's Advisory Group (DAG) was not advised of negotiated items, only that a bottom line offer was made. Also, the matter of the mitigation measures will be taken up at time of the proper public hearing on the EIR.

President Berk inquired what date was set for certifying the EIR and Ms. Helen Sause, Project Director, YBC, indicated approximately the first week in November.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 320-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 321-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Wade Woods, WAPAC, indicated that WAPAC would like to have a moratorium on condominiums in the future in A-2 as more rental housing is needed and would like to submit a proposal for the land not yet developed. Mr. Hamilton indicated staff would be interested in seeing that proposal.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 312-82 BE ADOPTED.

- (b) Resolution No. 316-82, is an Agreement with Steefel, Levitt & Weiss in an amount not to exceed \$18,000 and (c) Resolution No. 317-82, is with Robert C. Evans, Jr. in an amount not to exceed \$7,000. These two Agreements for legal services, will provide formation of a homeowners' association for Phase III in Hunters Point.

Mr. Hamilton reported on items (b) and (c) as follows. The Phase III development is a Planned Unit Development consisting of 120 market-rate units on five sites. The Agency has agreed, pursuant to Disposition Agreements with developers, to form the Homeowners' Association, which requires specialized legal services of a private firm. The law firm of Steefel, Levitt & Weiss, which has provided invaluable services in the past has the expertise and capacity to provide the services on an expedited basis. The Steefel firm has an acceptable affirmative action program and the arrangement with Mr. Evans, a minority attorney, implements the firm's commitment to that program. Because of the pressing need to form the Association, the Steefel firm has commenced a small amount of preliminary work and it is therefore requested that their contract be approved effective September 15, 1982. Approval of Item (b) for a contract with Steefel, Levitt & Weiss and Item (c) for a contract with Robert C. Evans, Jr. is recommended.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-82 BE ADOPTED.

NEW BUSINESS

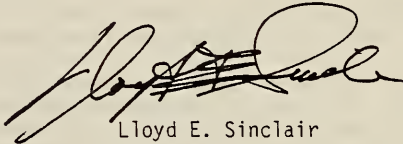
- (a) and (b), both items request extension of exclusive negotiations with O & Y Equity Corp./Marriott Corp./Beverly Willis to January 12, 1983. Item (a) Resolution No. 320-82, for Central Blocks 1, 2 and 3 and Item (b) Resolution No. 321-82, for Parcels 3722-A and B (East Block 2), located on the east side of Third between Mission and Howard Streets in Yerba Buena Center.

Mr. Hamilton reported on items (a) and (b) as follows. In July of this year an extension of three months until October 13, 1982 was granted for both Central Blocks and Parcels 3722-A and B. Exclusive Negotiating Rights for EB-2 are subject to the condition that the addition of these parcels is necessary to the economic viability of the Central Blocks program. Negotiations are proceeding and the EIR Supplement No. 2 is now being completed and it is anticipated the Supplement will be certified by the end of this month. This Supplement will provide the necessary environmental information for taking action on an LDA. Depending upon the progress of

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 5:32 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVED

November 9, 1982

TO: Agency Commissioners

FROM: Wilbur W. Hamilton
Executive Director

SUBJECT: Review of Objections to Staff Recommendation to enter into a new Land Disposition Agreement with Bushmoor Associates for Parcels 677-B, C(1); Western Addition Project

PURPOSE OF INFORMATION

At the Agency meeting of October 5, 1982 the Commission was scheduled to consider entering into a new Land Disposition Agreement with Bushmoor Associates for the development of Parcels 677-B, C(1). After a public hearing was opened on the subject, the hearing and action was continued for one week to allow time for staff to review and provide additional information on several objections to favorable action raised by attorney Owen P. O'Donnell representing John Brennan, by letter distributed and discussed in the public hearing (copy attached). This memorandum is intended to clarify issues raised by Mr. O'Donnell's letter and the discussion of it which occurred and to support the staff's recommendation in its action memorandum of September 30, 1982.

BACKGROUND

Response is made to the text of Mr. O'Donnell's letter as follows:

Statement - The Agency generally evaluated the various proposals, determined that Bushmoor Associates was the most qualified for the project, and entered into a Land Disposition Agreement with it regarding the property. That Land Disposition Agreement expired on October 15, 1981, without any performance of construction or development by Bushmoor Associates. The Agency now proposes to enter into a new Disposition Agreement with Bushmoor Associates with respect to the original site, Parcel 677-B, and an adjacent site, Parcel 677-C(1), without offering the site to the public so that all interested developers may submit bids.

Response - For some time, it has been Agency policy to continue negotiations with developers that have defaulted on their performance but demonstrated that they can salvage the development. The primary reason is that preparation for the development is substantially underway and therefore can be expedited. Bushmoor Associates have completed the Agency approved design of this 36 unit building and their building permit awaits only the signature of the Agency for issuance. This residential development could be under construction in two months. A reoffering of the parcel, allowing time for selection and LDA negotiations would take at least 18 months.

Statement - Although Bushmoor Associates appears to be the same entity with which the Agency entered into the original Land Disposition Agreement, it is not the same entity in that a majority in interest of its principals has changed since 1979. There is no indication whether or to what extent the qualifications of the new entity have been considered or evaluated by the Agency.

Response - As was indicated in our earlier memorandum, UF Service Corporation, a wholly owned subsidiary of United Federal Savings (UFS) has joined Bushmoor Associates as a general partner. Mr. Skiffer and Mr. Berizan will remain the sole managing general partners, UFS will have 50 percent participation in the original development and 40 percent participation in the second phase. Its position as a general partner, rather than limited partner increases the overall strength of the partnership without diluting the managing partners control. To date, UFS has provided the \$24,131.00 security deposit and a \$5,000,000 letter of credit to back the construction loan bond issue. In addition, they will provide an interim construction loan until the bonds are marketed to expedite the development. It is not unusual in todays financing market for a lender or investor to require as an incident of his agreement to provide financing that he have a major participation in the equity position, including this percentage of the sales proceeds. The situation has occurred in other developments which have come before the Agency. The staff's review of UFS' participation leads to the conclusion that this participation is a necessary requirement of UFS' agreement to provide funds and does not diminish the Developer's qualifications. Accordingly, the qualifications of the new entity have been considered and evaluated.

Statement - The present project is substantially different from that on which Mr. Brennan, Bushmoor Associates and others submitted proposals in 1979. The Agency has not solicited any proposals from anyone other than Bushmoor Associates with respect to the present configuration of the project comprising both Parcels 677-B and 677-C(1). Since the original submittal was open to all interested parties, the resubmittal should be open to all interested parties, including Mr. Brennan. In addition, since the Agency rules limit negotiated dispositions to parcels of 10,000 square feet or less, no disposition of the parcels should occur without open public bidding.

Response - No Agency "rule" limits all negotiated dispositions to parcels of 10,000 sq.ft. or less. The Agency recently authorized certain parcels under 10,000 sq.ft. to be disposed of by negotiation. It did not, however, limit its own discretion in authorizing other negotiated disposition of parcels. At the time Offering No. 20 went forward the 8,250 square foot Parcel 677-C(1) was a scattered housing site to be developed by the San Francisco Housing Authority. Since the Housing Authority has abandoned its efforts to develop the parcel Agency staff concurred in the Developers request to include it in this present effort. The additional 14 units proposed for this lot would share the private outdoor space with the original development but have their own entrance and parking structure.

Statement - The proposed disposition is at a price below the fair value of the property and thus in violation of both state and federal laws, as applicable.

Response - The proposed disposition is at the fair market reuse value for this site established by standard Agency practice. Two current independent appraisals were obtained and reviewed and the new price was determined to be \$482,625 (\$13.50 per sq.ft.) for the two parcels (35,760 sq.ft.). It is more than double the original price of \$178,750.00 (\$6.50) for the original 27,500 sq.ft. parcel.

Statement - The Agency's proposed action is unfair, capricious and not in the best interest of the City and County of San Francisco, and is contrary to law.

Response - Our legal staff assures that this statement is not correct and requires no substantive response.

It is to be noted that this development is proposed to be financed after the interim construction loan provided by UFS, by the issue of tax free housing bonds. The Developer has already made substantial advances to American Realty who will act as bond underwriters, for their services in securing this financing. The Developer as an incident to the Agency's issuance of bonds has agreed to make mortgage subsidy loans or a payment to the Agency from the mark-up of 10% of the units developed.

The Developer's agreement to offer mortgage subsidy loans was volunteered some time ago. The agreement will result in 1% second loans to five qualified buyers or, as the Agency more likely will elect, a payment of no less than \$50,000 and no more than \$125,000 to the Agency's housing fund.

Original Signed By:
Wilbur W. Hamilton

Wilbur W. Hamilton
Executive Director

Attachment

bcc: Lloyd Sinclair (2)
Redmond F. Kernan
Leo E. Borregard
Earl Mills
Wes Willoughby (2)
Richard T. Kono
Gene Suttle
Doug Myers
Byron Rhett
Shirley Wysinger
Brown Act Book
File/Real Estate (WESTA1)

WWH:EPM:DM:gej

October 5, 1982

HAND-DELIVERED

Charlotte Berk, President
Board of Commissioners
Redevelopment Agency of the City
and County of San Francisco
939 Ellis Street
San Francisco, California 94109

RE: Disposition of Parcels 677-B and 677-C(1)
in Western Addition Approved Redevelopment
Project Area A-2

Dear Mrs. Berk and other Commissioners:

I represent John Brennan, who on behalf of himself and others objects to the proposed sale of Parcels 677-B and 677-C(1) in the A-2 Project Area and the proposed execution by the Agency of a Disposition Agreement relating to that property with Bushmoor Associates, a California limited partnership.

In 1979, Mr. Brennan, an experienced real estate developer, expended substantial efforts and money to submit a comprehensive proposal for the acquisition and development of Parcel 677-B. That proposal was fully in compliance with the Agency's criteria, both as initially expressed and as reinterpreted by members of the Agency's staff. The proposal of Bushmoor Associates did not comply with the Agency's density criteria, as did almost all of the other proposals. The Agency, on the recommendation of its Executive Director, decided not to accept any of the proposals, except as to their general terms.

As a result of those proceedings, the Agency generally evaluated the various proposals, determined that Bushmoor Associates was the most qualified for the project, and entered into a Land Disposition Agreement with it regarding the property. That Land Disposition Agreement expired on October 15, 1981, without any performance of construction or development by Bushmoor Associates. The Agency now proposes to enter into a new Disposition Agreement with Bushmoor Associates with respect to the original site, Parcel 677-B, and an adjacent site, Parcel 677-C(1), without offering the site to the public so that all interested developers may submit bids. Agency guidelines restrict negotiated dispositions to parcels of 10,000 square feet or less.

Mr. Brennan objects to the proposed new Disposition Agreement with Bushmoor Associates on several grounds, including the following:

1. Although Bushmoor Associates appears to be the same entity with which the Agency entered into the original Land Disposition Agreement, it is not the same entity in that a majority in interest of its principals has changed since 1979. There is no indication whether or to what extent the qualifications of the new entity have been considered or evaluated by the Agency.

2. The present project is substantially different from that on which Mr. Brennan, Bushmoor Associates and others submitted proposals in 1979. The Agency has not solicited any proposals from anyone other than Bushmoor Associates with respect to the present configuration of the project comprising both Parcels 677-B and 677-C(1). Since the original submittal was open to all interested parties, the resubmittal should be open to all interested parties, including Mr. Brennan. In addition, since the Agency rules limit negotiated dispositions to parcels of 10,000 square feet or less, no disposition of the parcels should occur without open public bidding.

3. The proposed disposition is at a price below the fair value of the property and thus in violation of both state and federal laws, as applicable.

4. The Agency's proposed action is unfair, capricious and not in the best interest of the City and County of San Francisco, and is contrary to law.

Mr. Brennan requests an opportunity to submit a proposal for the development of the subject property in accordance with the Redevelopment Plan, and he represents that his proposal will be accompanied by an offer to purchase the subject property at a price in excess of that in the proposed Disposition Agreement between the Agency and Bushmoor Associates. Accordingly, Mr. Brennan requests that the Agency take the following action:

A. Continue the hearing from October 5, 1982 to a date at least ninety (90) days hence or renote the proceeding for a new hearing date at least ninety (90) days from October 5, 1982.

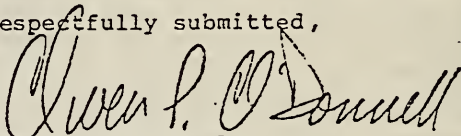
B. Solicit proposals from Mr. Brennan and all other interested developers and provide the Agency's staff with an adequate opportunity to review all such proposals before the continued hearing date.

C. Afford Mr. Brennan, or any other qualified developer, an opportunity to purchase Parcels 677-B and 677-C(1) at a price more in conformity with the fair value of the land, which is in excess of the proposed disposition price to Bushmoor Associates.

In considering these requests, I want to remind the Commission of the following rights and duties imposed on the parties by law. The Agency is required to act "in keeping with the high standards of ethics of public officials" and to act at all times in good faith for the benefit and protection of the public. (Universal By-Products, Inc. v. City of Modesto (1974) 43 Cal.App.3d 145). Mr. Brennan, even though an unsuccessful prior bidder, has a right of action to seek to restrain the Agency from awarding a contract to another bidder where the Agency has acted improperly or has abused its discretion. (Baldwin-Lima-Hamilton Corp. v. Superior Court (1962) 208 Cal.App.2d 803; Rubino v. Lolli (1970) 10 Cal.App.3d 1059). Mr. Brennan, as a taxpayer, has the right and standing to bring a complaint against the Agency to compel it to sell its land at no less than fair value and to enjoin the proposed sale to Bushmoor Associates at less than fair value. (Duskin v. San Francisco Redevelopment Agency (1973) 31 Cal.App.3d 769).

This written summary is presented in conjunction with an oral presentation on behalf of Mr. John Brennan. We request that this letter be made a part of the record of the hearing.

Respectfully submitted,



Owen P. O'Donnell
Attorney for John Brennan

cc: Melvin Lee, Vice President
Walter Newnan
Dian Bloomquist
Leroy King
Haig Mardikian
Jesse Arnelle

35
9/82
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF OCTOBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of October, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President DOCUMENTS DEPT.
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Leroy King
H. Jesse Arnelle (arrived at 4:15 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were R. D. Upton, Taylor-Woodrow; Jim Woodson, John Igoe, Lincoln Property Co.; Mary Rogers, Western Addition Project Area Committee (WAPAC), L. Jamerson, Jamerson Printing and Roy Chew, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of August 17, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of August 31, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of October 5, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of October 12, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Regular Meeting of October 26th will be held, but there will be no Regular Meeting on November 2 (Election Day). The next Regular Meeting after that will be held on November 9, 1982.

Mr. Arnelle arrived at this time, 4:15 p.m.

- (b) The Bids have been received by the Parking Authority for the YBC Garage and are now being analyzed. Forest City Dillon has 10 days in which to consider whether housing above the Garage is feasible or not, after Ms. Margaret Brady, Director, makes her recommendation to the Parking Authority Board.
- (c) The Mayor has forwarded a request for confirmation of the reappointment of Commissioner Arnelle and Commissioner King to the Board of Supervisors.
- (d) On October 22 at 11:00 a.m. the San Francisco Ballet Association will hold their "Topping Off".
- (e) The Agency will be consolidating its offices this week and next commencing on Thursday, October 21, with completion expected by Tuesday, October 26. All offices and personnel will be in full operation, but there may be some temporary disruptions of the telephone system.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the execution of the Deed for Dedication and Conveyance of three mini-parks, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 322-82, requests authorization to execute the Deed for Dedication and Conveyance of three mini-parks to the City and County of San Francisco; Parcel 677-D, north side of Sutter, between Fillmore and Webster; Parcel 755-A, northeast corner of Steiner and Golden Gate; and Parcel 1100-E, southwest corner of O'Farrell and Beideman; and ratifying the Notice of Public Hearing, Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Construction of these parks was completed in April 1975 and had been maintained by Agency CETA staff because of the Park and Recreation Department's limited funds and staff until October 1981 when the City started to maintain them following HUD's determination that Community Development funds could not be used. Title was not transferred in 1981 due to DPW's refusal to accept a strip of land adjacent to the "cottage row"

NEW BUSINESS (continued)

mini-park. This strip of land contains two easements for PG&E and PT&T which would conflict with DPW's sewer maintenance has been separated from this conveyance and will be dealt with at a future date. After Commission approval, the Board of Supervisors' Finance Committee and the full Board of Supervisors will consider accepting title to these three mini-parks. Approval is recommended.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-82 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the assignment of interest in the Land Disposition Agreement for Parcel 3750-A, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 323-82, requests authorization of assignment of interest in the Land Disposition Agreement with Taylor-Woodrow to Taysan-Lincoln Properties, Inc. for parcel 3750-A, southeast corner of Third and Folsom Street, and ratifying the Notice of Public Hearing, Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. Taylor-Woodrow's LDA was approved in November 1981, and amended in March 1982. Taylor-Woodrow has continued to pursue methods to finance the proposed condominium project, but because the condominium market has had a downturn, Taylor-Woodrow has decided not to pursue that market and have been exploring the feasibility of a rental project. Either condominium or rental is permitted under the LDA. The developer intends to adhere to the Schedule of Conveyance of the property of May 17, 1983. Staff believes that the merger of Taylor-Woodrow and Lincoln Property should result in a strong development team with the capacity to carry out this development. This change from condominiums to rental necessitates a redesign of the project, and staff is working with the developer's architects on the design which will be presented to the Commission in the near future.

Mr. Robert Upton, Taylor-Woodrow, urged the Commission approved this item and indicated he hoped to have the design changes presented to the Commission at the November 9th Commission meeting.

Mr. John Igoe, Lincoln Property, indicated he would be the Project Manager for this joint venture, was pleased to be part of the team, and hoped for design approval soon.

Mr. Newman inquired if there were any plans for subsidized housing and Mr. Igoe indicated not at this time, but it depended on the mechanism that would be used for financing. They intended to apply for SB-99 funds which would then include subsidized housing.

NEW BUSINESS (continued)

Mr. Lee indicated there was a substantial reduction in the number of units and inquired what the unit mix would be and Mr. Igoe responded; approximately 50 percent one bedroom units; 40 percent two bedroom units and 10 percent studio units.

Mr. Lee inquired when the Commission would see the redesign and Mr. Hamilton responded that it would be prior to the meeting of November 9.

Ms. Blomquist inquired what the rental rate range would be and Mr. Igoe responded that based upon a \$1 to \$1.22 a square foot cost, the range would be \$600 to \$1,200.

Mr. Newman indicated it was unusual to find this size building with rental units and inquired if the leases would be for one year and Mr. Igoe responded that their typical apartment operation was on a month-to-month basis, but that they would look at the San Francisco rental market before deciding.

Ms. Blomquist inquired if the design to be considered at the meeting of November 9 would be a public workshop and Mr. Hamilton responded that the design will be brought to the Commissioners in less than quorum briefing sessions.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 323-82 BE ADOPTED.

- (c) Resolution No. 324-82, requests approval of a Seventh Amendatory Agreement to the LDA with Elizabeth Jamerson for the property at 689-91 McAllister Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. This Amendment will extend the conveyance date in the LDA to December 14, 1982; and is necessary to keep the developer from being in default for failure to close escrow and take title to this property. The LDA approved in August 1980 had its Sixth Amendatory Agreement approved on September 28 to cure the financing problem. The developer has now succeeded in obtaining evidence of financing of all mortgage and capital financing required to complete the project. When the Sixth Amendatory was approved it did not include extending the conveyance date of October 15 and although the requirements of the LDA are substantially complete, details remain in obtaining contractor bonding and a building permit that must be completed before conveyance can take place. It is estimated that it will take 3 to 6 weeks to obtain a building permit once required design modifications are completed. Staff appeared in Court on October 14, 1982 regarding the abatement proceedings against this property and the Judge continued the hearing until January 27, 1983. Approval of this Amendatory with Ms. Jamerson is recommended.

NEW BUSINESS (continued)

Mr. Lee indicated he was glad to see that the financing was in place, but what would happen if the contractor does not obtain the required bond and Mr. Hamilton responded that in that event, an extension of time would be requested.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-82 BE ADOPTED.

- (d) Resolution No. 325-82, requests authorization of a Second Amendment to the Agreement for legal services with the law firm of Shute, Mihaly and Weinberger in an amount not to exceed \$20,000 for the Yerba Buena Center and Rincon Point - South Beach Projects.

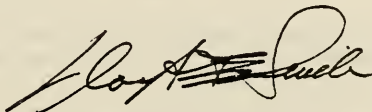
Mr. Hamilton reported on item (d) as follows. This firm has been providing excellent specialized legal services regarding complex environmental and land use matters for the Agency as well as close consultation and assistance with respect to the YBC, EIR Second Supplement and related issues. The original contract amount of \$25,000 was increased in March of this year by \$15,000. At that time, it was thought that amendment would provide for completion of the environmental considerations. However, the extensive responses at the public hearing on the YBC EIR Supplement No. 2 has necessitated more legal review than anticipated. Of the total \$20,000 contract, \$10,000 will be allocated for YBC to be used to cover current services being performed by this firm as well as anticipated future services. The remaining \$10,000 will be allocated for services in the Rincon Point - South Beach for special environmental and selected legal problems. The firm's affirmative action efforts have been reviewed by staff and are considered acceptable. Approval of this amendment is recommended.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-82 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

November 9, 1982

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6/82
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF OCTOBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 26th day of October, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Dian Blomquist
Leroy King

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and the following were absent:

Melvin D. Lee, Vice President
Haig Mardikian (arrived at 4:19)
Walter S. Newman

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); and Roy Chew, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the closed session of September 14, 1982, as distributed by mail to the Commissioners, be approved.

Mr. Mardikian arrived at this time, 4:19 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commission on the following matters:

- (a) Mr. Hamilton is at a NAHRO conference in Boston and will return to the office on Thursday, October 28, 1982.
- (b) There will be no Regular Meeting next Tuesday, November 2, 1982. The next regular meeting will be held on November 9, 1982.
- (c) It is anticipated that a joint meeting with the City Planning Commission to consider the Certification of the EIR Supplement on Yerba Buena Center will be held on December 2, 1982 at 4:00 p.m.

NEW BUSINESS

- (a) Resolution No. 326-82, requests authorization of a Letter Agreement with the Department of Public Works for construction of the left turn from the Geary Expressway to Webster Street in connection with the Fillmore Neighborhood Commercial Center in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. In January of this year funds were authorized for the design of the proposed left turn on Geary Boulevard to Webster Street to be performed by the Department of Public Works (DPW). Plans and Specifications are now complete and DPW is ready to advertise for the construction contract. Prior to this action, however, DPW has requested that the Agency commit the necessary funds in an amount not to exceed \$175,000 in the form of a Letter Agreement. Payment will then be based on the actual construction cost and administrative and inspection charges. Cost of this work will ultimately be paid out of the UDAG funds for the Fillmore Commercial Development. Approval of this Letter Agreement is recommended.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 326-82 BE ADOPTED.

- (b) Resolution No. 327-82, requests authorization of a 60 month purchase agreement for an IBM Displaywriter for the Legal Division.

Mr. Kernan reported on item (b) as follows. Word processing equipment for this division, whose secretarial force has been reduced due to the recent layoffs, would lessen the number of re-drafts of documents and court papers, which must be letter perfect and often must be produced under severe time restrictions. Equipment purchased last December for three other divisions has dramatically improved the productivity of those divisions. Staff believes the purchase of an IBM Displaywriter for the Legal Division would be the best solution to its word processing needs. The total purchase price of this equipment including discount would be approximately \$9,816. Buying the equipment will save 40% compared with the cost of leasing. Approval of this purchase agreement is recommended.

Mr. Arnelle indicated his support of this item noting that his Law firm has a word processor that saves them a considerable amount of time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-82 BE ADOPTED.

- (c) Resolution No. 328-82, requests authorization for Helen Sause, Project Director, Yerba Buena Center, Earl P. Mills, Deputy Executive Director, Community Services; James Wilson, Area Director, Hunters Point and Redmond F. Kernan, Deputy Executive Director to attend the NAHRO Annual Fall Workshop being held in Irvine, California, November 13-16, 1982 in an amount not to exceed \$1,650.

NEW BUSINESS (continued)

This conference will cover subject matters pertinent to the Agency's program and approval is recommended for the four staff persons mentioned to attend this Workshop.

President Berk inquired what CRAD is that was mentioned in the memorandum and Mr. Lloyd Sinclair, Secretary, indicated it is a committee of NAHRO and stands for Community Revitalization and Development.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 328-82 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Mary Rogers, WAPAC, advised that WAPAC held its election last Saturday and the results of that election would be sent to the Commission by the next Agency meeting.

Mr. Arnelle noted that he had not been notified until Friday of WAPAC's convention and was unable to attend and Ms. Rogers responded that notices had been sent out late.

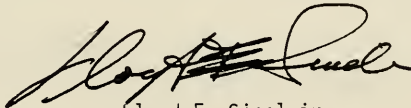
Ms. Blomquist requested a list of the WAPAC Board Members and Ms. Rogers responded it would be provided.

President Berk inquired how many people had attended and Ms. Rogers indicated approximately 150 people attended and 120 persons voted.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and personnel. The meeting adjourned at 4:27 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

November 9, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF NOVEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of November, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

And the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were James E. Stratten, R. & J. Futuristic, Inc.; Bill Combs, Willie Hartwell, Curtis Jones, Vernon Starnes, Tom E. Moses and John Benhoff, Liberation House; Bobby Sisk, Dr. Howard Gloyd, Bethel AME; Terry Collins, KPOO; Mary Helen Rogers, Joseph Rhodes, and Delter Woods, Western Addition Project Area Committee (WAPAC); N. Smith, Kimball Park/SMA; Joel Zeldin, Dinkelspiel, Donovan, Reder; and John Igoe, Lincoln Properties.

Representing the press were Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 12, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of October 19, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of October 26, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Thursday, November 11, 1982, the Agency's Offices will be closed in observance of Veteran's Day.

NEW BUSINESS

- (a) Resolution No. 329-82, requests authorization to execute a Fourth Amendatory Agreement to the Land Disposition Agreement with Goodlett Management Corporation doing business as Kimball Park for Parcel 707-B located on the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2. The Amendment will extend the performance dates in the LDA for approximately 90 days.

Mr. Hamilton reported on item (a) as follows. The LDA was approved in April 1981 for development of 20 two-bedroom condominiums. Design of the development has proceeded on schedule and final construction documents have been approved by staff. The documents were submitted to the City on February 16, 1982 for approval of a building permit. In September, Goodlett entered into an agreement with bond underwriters A.G. Edwards & Sons, Inc. to underwrite the tax exempt mortgage revenue bond issue to provide permanent financing. A.G. Edwards also agreed to find construction financing. Bonds and a conventional loan are being explored. The bonds are scheduled to be issued by mid-December, 1982. As part of this effort the next agenda item is to consider the Financing Agreement between the Agency and GMC along with several other small developers. Although the processing of the bond issue has progressed slower than expected, the Developer and Agency staff are confident of its successful completion. GMC has requested a 90-day extension to allow time to sell these mortgage revenue bonds. The performance dates of the LDA would change as follows: Submission of Evidence of Financing from November 2, 1982 to February 8, 1983; and Conveyance of Site/Close of Escrow from December 2, 1982 to March 8, 1983. Approval is recommended.

Mr. Newman inquired that if the bonds are not forthcoming then will the Agency be reimbursed for expenses and what are those expenses. Mr. David Oster, Assistant General Counsel responded that the amount of expenses and fees depends on where the process is at any one time. Examples of those expenses are: rating fees of about \$7,000; printing of the bonds, approximately \$3,000 to \$4,000; and Agency administrative personnel expenses of not more than \$10,000. Mr. Newman inquired if the bonds are not approved would they still be printed and Mr. Oster responded that the bonds will come before the Commission for approval before they are printed. Also at the request of the Commission the developer will secure the obligation of Administrative expenses by cash, letter of credit or other surety acceptable to the Agency in the amount of \$10,000. Mr. Newman indicated that response confirms his judgement of the prudence of the legal staff.

NEW BUSINESS (continued)

Ms. Blomquist indicated that the number of Kimball Park extensions borders on the ludicrous and Agency staff should just grant a five year extension to Dr. Goodlett and save the Commission the embarrassment of having to face this four times a year and that she would continue to vote no on this item.

ADOPTION: IT WAS MOVED BY MR. KING, AND SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 329-82 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

Mr. Lee indicated that the developer should look for ways to reduce the cost of construction and Ms. Nicola Smith, attorney for Kimball Park, responded that their marketing staff is looking at those figures and hope they can come in lower, but this may be difficult because of the upcoming reappraisal of the property.

- (b), (c), (d) and (e) requests approval of four separate resolutions for execution of Financing Agreements: Resolution No. 330-82, with Goodlett Management Corporation for Parcel 707-B; Resolution No. 331-82, with Bushmoor Associates for Parcels 677-B, C(1); and Resolution No. 332-82 with Suttermore Associates for Parcels 678-C(1), (2) and (3), all in the Western Addition A-2 Project. And Resolution No. 333-82 with R. & J. Futuristic for Parcels S-1 and S-2 in Hunters Point.

Mr. Hamilton reported on items (b) (c) (d) and (e) as follows. Upon approval of these Financing Agreements the Agency agrees to use its best efforts to issue Mortgage Revenue Bonds. The developers of the four housing developments have agreed to reimburse the Agency for expenses incurred, if the bonds are not issued. The developers will secure this obligation by cash, letter of credit or other surety acceptable to the Agency in the amount of \$10,000. If the bonds are issued, administrative and other expenses incurred will be paid out of the bond issue. Goodlett Management Corporation, as mentioned in

NEW BUSINESS (continued)

the previous agenda item (a) proposes to develop 20 two bedroom condos constructed over a parking garage. Bushmoor Associates proposes to build 50 market rate condos in two phases plus 7,500 square feet of commercial space, with beginning construction of the first phase in January 1983. Suttermore Associates plans to construct 68 one and two bedroom condos and 15,000 square feet of office/commercial space with a construction start of February, 1983. R. & J. Futuristic proposes to enter into a Loan Agreement for funds with Newmarket Land, Inc. to assist in the acquisition and development of 67 housing units. R. & J. Futuristic is also working with bond underwriters A. G. Edwards & Sons, Inc. to obtain construction and mortgage financing. The Bushmoor and Suttermore developments have profit controls or setaside language that would result in a cash payment to the Agency that will be used to provide affordable housing in the Western Addition. The Goodlett and R. & J. Futuristic development do not have this language since their LDA's were executed before the profit sharing policy was adopted.

Mr. Joseph Skiffer, Bushmoor Associates, indicated that his development was no longer called Bushmoor Associates and is now called Amelia Gardens. Mr. Skiffer requested information regarding the Bond issue and the fees associated with that issue and Mr. Arnelles responded that information should more appropriately be requested from staff and not the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING,
THAT RESOLUTION NO. 330-82 BE ADOPTED, AND ON ROLL CALL THE
FOLLOWING VOTED "AYE":

Mr. Arnelles
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. ARNELLES, SECONDED BY MR. NEWMAN, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 331-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLES, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 332-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLES, SECONDED BY MR. NEWMAN, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 333-82 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 344-82, requests authorization of a rent free rental agreement with Bethel A.M.E. Church and El Bethel Church for use of Parcel 750-H on Fillmore between Turk and Eddy in the Western Addition A-2 for the purposes of operating a Christmas Tree lot.

Mr. Hamilton reported on item (f) as follows. Both of these churches are non-profit organizations and long-time religious organizations in the Western Addition Community who have sponsored housing or low-to-moderate income seniors. They will use the funds generated from the Christmas Tree sales for meeting some of the costs of operating the senior citizens' meal programs in their subsidized developments. This site is under an LDA with Third Baptist Church who plans to start construction in November 1983. Therefore, this interim and temporary use will have no impact on development schedule of this parcel.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 334-82 BE ADOPTED.

- (g) Resolution No. 335-82, requests authorization of a rent free rental agreement with the Western Addition Project Area Committee (WAPAC) for use of the parcel on the northwest corner of Sutter between Fillmore and Steiner in the Western Addition A-2 for the purposes of operating a Christmas Tree lot.

Mr. Hamilton reported on item (g) as follows. The proceeds from the sale of the Christmas Trees will be used by WAPAC to take neighborhood youths on trips to the snow country. This site is under an LDA with Suttermore Associates who plan to start construction in February 1983. Therefore, this interim and temporary use will have no impact on the development schedule of this parcel.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 335-82 BE ADOPTED.

- (h) Resolution No. 336-82, requests authorization is requested to enter into Exclusive Negotiations for 90 days with Liberation House for 1724-28 Steiner Street in the Western Addition A-2.

Mr. Hamilton reported on item (h) as follows. Liberation House is a community-based non-profit organization established in 1973 providing a variety of recovery services for individuals with alcoholic problems. Liberation House was formerly located at 1227 Divisadero Street, but moved to 1724 Steiner in 1979 to meet the increasing needs for additional space and expanded services. The work done at 1724 Steiner Street by Liberation House to meet minimum safety requirements for this type of occupancy will be evaluated by staff during the Exclusive Negotiation period. Also during Exclusive Negotiations, staff will explore Liberation House's lease purchase proposal and an alternate proposal for a direct purchase. Either alternative would be conditioned upon the restrictive use of

NEW BUSINESS (continued)

the property by a non-profit organization. Liberation House's current operating budget is funded by a grant from the San Francisco Bureau of Alcoholism. Other foundations have provided funds to Liberation House for purchase and rehabilitation of this building. The Performance Schedule calls for Submission of Schematic plans including structural upgrading by December 9, 1982; Submission of an Affirmative Action Program by December 20, 1982; and Submission of an acceptable purchase plan and evidence of equity capital by January 9, 1983.

Ms. Mary Rogers, WAPAC, indicated her support of this item because it provides a needed service in the community.

Mr. Curtis Jones, Chairman of Liberation House, indicated his support of this item.

Mr. Newman inquired if the neighbors had been contacted and if so had there been any objections. Mr. Gene Suttle, Area Director, Western Addition A-2, responded that the only person contacted was a Ms. Simpson who had objected some 2-½ years ago when Liberation House was first located in the neighborhood. Ms. Simpson now has nothing but praise for Liberation House and supports this item.

Ms. Rogers noted that Liberation House had gone through the entire City public licensing process.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 336-82 BE ADOPTED.

- (i) Resolution No. 337-82, requests approval of an Inducement Resolution which expresses an intent, subject to satisfactory agreement, to issue Mortgage Revenue Bonds or Notes to finance residential and commercial facilities in connection with the development of Parcel 3750-H located at the southeast corner of Folsom and Third Streets by Taysan-Lincoln Associates in Yerba Buena Center.

Mr. Hamilton reported on item (i) as follows. Based on the assumption that the project will be composed of approximately 400 to 500 residential units, 40,000 square feet of commercial space and 700 parking spaces, a bond issue of approximately \$60,000,000 is required. This proposed financing would be for a single long-term loan on a rental project. This resolution will serve as an inducement resolution under the requirements of Federal Tax laws and regulations and assure tax exempt financing of the Developer's expenditure after adoption of the resolution and prior to sale of the bonds. It should be noted that this resolution does not legally commit the Agency to providing financing for the developments or legally bind the developer to use this financing mechanism. However, if the details of the development and the terms of the financing can be satisfactorily resolved, staff anticipates that it will recommend that the Agency act as issuer of the SB-99 financing. The Agency is not committed by this resolution to any particular

NEW BUSINESS (continued)

terms and conditions. If SB-99 financing is provided, the developer will be required to make 20% of the rental units available to low and moderate income tenants under the terms of the Mortgage Subsidy Act of 1980. Staff is concerned that the benefits of SB-99 financing flow to the eventual occupants of the developments and staff will be developing terms and conditions to insure that this is accomplished. Approval is recommended.

Mr. John Igoe, Lincoln Property Company, requested approval of this item and also requested approval of the massing and footprint of the project, though it was realized that there is a number of design issues to work out.

Ms. Blomquist asked Mr. Hamilton to comment on the information memo the Commission received today regarding this project. Mr. Hamilton indicated that an informational memo had been provided the Commission regarding the economic analysis of this project. The developer has indicated that the cost consequences of exceeding the height limit would render the project economically infeasible.

Ms. Blomquist inquired what the process is now to get this project moving and Mr. Hamilton responded that as soon as all Commissioners had seen the design, with only Mr. Arnelle not having yet seen it as of today, then staff would make their recommendation. Ms. Blomquist indicated she was concerned with the time table as the property is scheduled to be reappraised and she did not want the Agency holding this up and being the cause of increasing the price of the property. Mr. Arnelle indicated he would be seeing the design today and Mr. Hamilton indicated a staff recommendation would then be made this week.

Mr. Newman indicated he was now aware the high rise structure was not feasible, but believed the design as noted by the developer, needed further study, and since this is a key project, the Commission should reserve its right to change the design. Mr. Hamilton responded that the developer had indicated agreement with this approach, but that there would be no changes to the height, bulk or footprint of the project.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 337-82 BE ADOPTED.

- (j) Resolution No. 338-82, requests authorization of a Third Amendment to Legal Services Agreement which increases the maximum amount payable thereunder with the law firm of Steefel, Levitt & Weiss in connection with All Approved Redevelopment Project Areas.

Authorization is requested of a Third Amendment to the Agreement for Legal Services with the Law Firm of Steefel, Levitt & Weiss in connection with all Project Areas, in an amount not to exceed \$75,000.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (j) as follows. This firm has been providing excellent service since January of 1981 on a wide variety of issues including specialized real property matters. The firm is currently assisting in the Olympia and York negotiations in connection with YBC. The original contract amount of \$50,000 was amended in November 1981 for an additional \$50,000 which amount is now nearly expended. The additional amount requested is for services, if necessary, in the preparation of the disposition documents in connection with any transaction that might be consummated with O & Y Equity Corp./Marriott/Willis. General Counsel expects this could entail the full-time services of one or more lawyers from the Steefel firm and support staff. Staff believes it is critical that the firm continue to assist the Agency. The firm's affirmative action efforts have been reviewed by staff and are considered acceptable.

Ms. Mary Rogers, WAPAC, inquired what this firm was doing about hiring minority attorneys and Mr. Earl P. Mills, Deputy Executive Director, Community Services, responded that he and Mr. Ben Hattem, Affirmative Action Officer, had met with representatives of this firm and they were sensitive to the concerns the Agency has about affirmative action. However, the firm does not anticipate hiring any more legal assistants or attorneys, but it would be willing to enter into a joint venture for some of the work with a minority firm. The firm was advised that this was a legitimate approach and one the Agency has successfully used, but this was a proposal Mr. Hamilton and the YBC Team would have to consider. Mr. Hamilton indicated that a joint venture approach would be explored.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, THAT RESOLUTION NO. 338-82 BE ADOPTED.

Mr. Arnelle inquired if this was an ongoing retainer arrangement with this firm or is it a new retainer and Mr. Borregard responded it was an ongoing arrangement. Mr. Arnelle inquired how long had the Agency had an ongoing relationship with this firm and Mr. Borregard indicated since January of 1981. Mr. Arnelle indicated he assumed that at the time the Agency entered into a contract with this firm, the Agency's Affirmative Action Program requirements were discussed and Mr. Mills responded affirmatively. Mr. Arnelle inquired if there had been any progress in minority hiring during that period and Mr. Mills indicated the progress has been in actively working with the Minority Bar Association and other minority employment organizations that the Agency referred them to and they have followed the Agency's procedures in terms of contacting those organizations. Mr. Mills also indicated that during that time, there had been a turnover of seven attorneys and four legal assistants of whom one was a minority, but that it appeared the minority applicants declined the job because of better offers elsewhere. Mr. Arnelle inquired if there had been any followup on the part of Mr. Mills' office regarding which attorneys were contacted and offered positions, and did Mr. Mills find out whether

NEW BUSINESS (continued)

the applicants declined to accept because of better opportunities elsewhere or for some other reason. Mr. Mills responded his office and had not done this. Mr. Arnelle requested that Mr. Mills followup and find out what was in fact the reason for applicants to decline the position offered them and suggested that this followup be done for all future contracts and Mr. Mills responded he would request that information.

Mr. Hamilton inquired regarding this process if the Charles Houston group would also have some information of people who are available. Mr. Arnelle agreed that the group could assist and asked Mr. Mills if he had information about that group and Mr. Mills responded that he did and that he had provided the firm with a list of all the Minority Bar Associations. Mr. Hamilton inquired if the firm had made those contacts and Mr. Mills responded that the firm had indicated they did so. Mr. Arnelle requested this item be held over for one week.

MOTION: IT WAS MOVED BY MR. KING, ON THE BASIS OF MR. ARNELLE'S REQUEST TO HAVE THIS ITEM CONTINUED, TO RESCIND HIS MOTION FOR ADOPTION OF RESOLUTION NO. 338-82 AND MR. NEWMAN ALSO RESCINDED HIS SECOND OF THAT MOTION.

Mr. Hamilton indicated that General Counsel advises the funds for this contract have nearly been expended and that work assignments could be delayed if this matter is held over. Mr. Newman inquired that if there is emergency work to be done would Mr. Arnelle have any objection to covering the cost of it and Mr. Arnelle indicated he would not have any objection.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item would be continued for one week. There being no objection it was so ordered.

Ms. Mary Rogers, WAPAC, requested a list of all current legal contracts and their amounts and amendments and President Berk indicated a copy of that should also go to the Commissioners.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and personnel. The meeting adjourned at 5:10 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

November 30, 1982

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF NOVEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of November, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Leroy King
Haig Mardikian
Walter Newman

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and the following was absent:

Melvin D. Lee, Vice President, arrived at 4:25 p.m.
Dian Blomquist

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mike Marston, Keyser-Marston, Edward Steefel, Michael Lawson, George S. Marley, Steefel, Levitt & Weiss; Ed Iumin, Human Rights Commission; J. David Hertza, Urban Land Company; Roslyn Baltimore, Eddy Place Associates; and Roy Chew, Sim Seiki, Tora Gretsck and Terence Hallinan, interested citizens.

REPORT OF THE PRESIDENT

President Berk reported to the Commission on the following matter:

- (a) Mr. Hamilton is attending the Joint Finance/Planning, Housing and Development Committee meeting which started today at 2:00 p.m. and is still going on to hear the City's 1983 Community Block Grant Program which includes this Agency.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commission on the following matters:

- (a) All Hallows Community Development Corporation is holding a "Lottery Ceremony" for Northridge Cooperative Homes (the 300 units) in Hunters Point on November 17 at 10 a.m. at 100 Whitney Young Circle.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Yesterday there was a special meeting of Streets and Transportation Committee stating intention and setting a hearing for the vacation of a portion of Kaplan Street in regards to the construction of the YBC Garage and housing above. This was reported out of Committee with a due pass vote and then before the full Board of Supervisors yesterday and was approved for a hearing on December 6 at 4 p.m.

UNFINISHED BUSINESS

- (a) Resolution No. 338-82, which was continued from last week's calendared meeting, requests authorization of a Third Amendment to the Agreement for Legal Services with the Law Firm of Steefel, Levitt and Weiss in connection with all Project Areas, in an amount not to exceed \$75,000.

Mr. Kernan reported on item 8(a) as follows. This firm has been providing excellent service since January of 1981 on a wide variety of issues including specialized real property matters. The firm is currently assisting in the Olympia and York negotiations in connection with YBC. The original contract amount of \$50,000 was amended in November 1981 for an additional \$50,000 which amount is now nearly expended. The additional amount requested is for services, if necessary, in the preparation of the disposition documents in connection with any transaction that might be consummated with O & Y Equity Corp./Marriott/Willis. General Counsel expects this could entail the full-time services of one or more lawyers from the Steefel firm and support staff. Staff believes it is critical that the firm continue to assist the Agency. Commissioner Arnelle had requested this item be held for one week in order to answer questions he had on the firm's Affirmative Action program.

Mr. Earl P. Mills, Deputy Executive Director, Community Services, reported that at last week's meeting Mr. Arnelle had requested specific information regarding the affirmative action efforts of this firm. Mr. Mills indicated he had met with Mr. George Marley from the firm to further explore their employment practices and present at today's meeting are Mr. Marley, Mr. Ted Steefel and Mr. Michael Lawson, who is the Chairperson of the firm's hiring committee.

Mr. Lawson indicated that this firm performs real estate services for the Agency of a specialized nature in connection with the on-going YBC project. Their firm is two years old, employs 20 lawyers and strives to provide the best possible service and the most highly qualified lawyers. Interviews are done annually and of the three to four hundred resumes that are taken, about one-sixth are interviewed. In the past year, eleven bar associations have been contacted with requests for lawyers with two to three years experience in the firm's specific field, which has put the firm in contact with qualified minority applicants and as a result, the response from

UNFINISHED BUSINESS (continued)

minority applicants has increased. Of 75 applicants interviewed in the past year, 16 were minority. The firm will continue to contact those associations for the purpose of coming in greater contact with minority applicants to fill slots that may become available for hiring in the future.

Mr. Arnelle inquired if in the two years the firm has been in existence, if that was the length of time the firm had been associated with the Redevelopment Agency in handling specialized legal work and Mr. Lawson responded that under the name of Steefel, Levitt and Weiss it has been since January of 1981. Previously, the practice was under the name of Dinkelspiel, Pelavin, Steefel & Levitt. Mr. Arnelle inquired how long Mr. Lawson had worked for this firm or its predecessor and Mr. Lawson indicated eight years. Mr. Arnelle inquired how many lawyers were hired in the last two years and Mr. Lawson indicated six. Mr. Arnelle inquired of those six were any hired out of law school and Mr. Lawson indicated one. Mr. Arnelle indicated that last week the Commission was informed that this firm had offered positions to minority applicant lawyers, but they had turned them down for one reason or another and Mr. Mills was to find out whether or not there was in fact a follow-up letter of offer to any of the minority applicants who were interviewed at this firm. Mr. Arnelle inquired if any minority lawyers of the six hired were offered a job in the last two years and Mr. Lawson indicated no. Mr. Arnelle inquired since having a contract with the Redevelopment Agency if this firm or the previous firm had hired any minority lawyers and Mr. Lawson indicated no, but they had hired a minority paralegal. Mr. Arnelle inquired in the eight years that Mr. Lawson had been with this firm or its predecessor how many minority lawyers had been hired and Mr. Lawson indicated two. Mr. Arnelle inquired how many of the 20 lawyers now employed were minorities and Mr. Lawson indicated none.

Mr. Newman inquired if a female constitutes a minority and Mr. Lawson indicated that it is his understanding that it does not for the purpose of this discussion.

Mr. Mills indicated that staff had initially recommended awarding this contract on the basis of their affirmative action effort, addressed by their willingness to enter into a Joint Venture with a minority attorney to do this work. However, it was felt that the YBC Negotiating Team would have to work this out with the firm. No answers were received from the firm to Mr. Arnelle's questions of last week, as the firm felt the information was confidential.

Mr. Leo Borregard, Agency General Counsel, indicated that in his judgment with respect to this contract a joint venture arrangement would be inappropriate. However, their willingness to engage in that kind of effort, as this firm did about three weeks ago in preparation of the CC&R's in Hunters Point he believed was evidence of their willingness. Also of the three or four hundred applicants 5% of those were minority and of those 50% were interviewed and only 15% of the others were interviewed.

UNFINISHED BUSINESS (continued)

Mr. Arnelle indicated he would provide additional general statistics, approximately 150 black lawyers belong to the William Hastings Bar Association practicing in San Francisco and approximately 500 to 600 black lawyers practicing in the East Bay belong to the Charles Houston Bar Association and are involved in various kinds of litigation with a high percentage in real estate and real property law and he believed it shocking, given the composition of the kind of community San Francisco and the Bay Area are that this firm has not done better, and if there was a reasonable reason for this he was willing to listen. Mr. Arnelle indicated he was not here to indict, but to prod and encourage and to express concern about this area, as this is a public agency and the Commission wants not just good intentions, but purposeful results. There is quality in the community and in the bar associations mentioned and he would hope this firm would do better.

Mr. Borregard indicated that with all due respect to Commissioner Arnelle citing the numbers of the East Bay Bar Association of 600 and of San Francisco's Minority Bar Association of 150, it is his understanding this firm contacted them and others and of the 280 applicants only 14 were minority.

Mr. Arnelle indicated that there has been a tradition within the legal community, particularly in large practices in town, where minority lawyers have not been able to penetrate in any significant way. And if there is anything above ten large law firms in town where they have he would like to know who they are. There is something like 10,000 lawyers in the bar association and he found it shocking in 1982 in a very competitive city that this is an area long overlooked and it should not continue.

Mr. King indicated he agreed with Mr. Arnelle as he could see no action on this firm's part in trying to get minority participation of lawyers. Large firms need to work with minority lawyers and get them involved in their firms, as it is long over due. Mr. King felt this firm had not been responsive to the Agency's affirmative action program.

Mr. Newman inquired about Federal contracts and their affirmative action requirements and Mr. Borregard indicated that Mr. Mills would be better able to answer that question, but that he did not necessarily believe an affirmative action program, at least at certain stages, is measured by who you have, but by your good faith efforts in securing minority employees.

Mr. Newman indicated he was just interested in whether a firm of this nature, who claims they have made a good faith effort, would be qualified for a Federal contract. Mr. Mills responded that he was not familiar with Federal Government contracts for legal services, but was more familiar with the architectural and engineering contracts in that respect and they are required to provide affirmative action programs much like the Agency has set up for

UNFINISHED BUSINESS (continued)

legal firms where staff works with the firms in terms of where their strength and weaknesses are and setup goals for them to obtain.

Mr. Kernan noted that staff is under considerable pressure in the YBC negotiations to produce necessary disposition documents and staff has been working with this firm who is familiar with what the Agency is doing. He asked that the Commission weigh that against the apparent lack of effectiveness, though he believed the motivation was there in terms of making an effort, even if it may not have yet produced results.

Mr. Lee requested Mr. Kernan to briefly describe the types of legal problems that may be encountered under the YBC negotiations and Mr. Kernan indicated the most significant is to draft the actual agreements that the Agency will operate under with the developer. This firm is currently underway in doing that, and the Agency has agreed to produce them. Mr. Lee indicated he understood the concerns of both Mr. Arnelle and staff and inquired if the \$75,000, the amount of this amendment, was reduced would that be sufficient to proceed with the absolute necessary legal services in YBC and Mr. Kernan indicated he believed this amount was necessary, but whether the full amount would be used depended on the actual time involved.

Mr. Borregard indicated that in addition to drafting the corollary documents that go with any master agreement, that this could very well require the full time of one outside lawyer, a large portion of Agency Counsel's time and outside support staff. Mr. Newman asked Mr. Steefel if he planned to hire additional staff to complete this work and Mr. Steefel responded that due to the press of time there was no practical way they could hire additional staff and also, although they had been willing to joint venture this project, in view of the time constraints and the history of this project, Agency staff felt that was not a practical solution.

Mr. Newman indicated he found himself in a dilemma, as Agency staff feels this firm is the expert who should do this work, but he was quite sympathetic to Mr. Arnelle's position that this is not a fully integrated firm and believed they would have to do a better job as far as integration is concerned, and inquired if they felt they could do a constructive legal job with a joint venture firm, as opposed to Agency staff's opinion. Mr. Steefel indicated that three weeks ago they had joint ventured with a minority firm, but that was starting at the beginning where it is practical. This firm's involvement with this project has been going on for two years and to get someone new involved at this point is a substantial diversion and might delay the time schedule. Mr. Newman inquired if there was any work that this office has where a minority could be used where a job is just starting up to show a good faith effort and Mr. Steefel indicated he was not in a position to make that commitment on behalf of the firm.

President Berk expressed her gratitude to Messrs. Steefel, Marley

UNFINISHED BUSINESS (continued)

and Lawson for attending the meeting today so they could hear the discussion and know exactly what the problem is and indicated she would like to broaden the question Mr. Newman asked regarding joint venturing with a minority and asked if this firm would consider hiring a minority attorney and Mr. Steefel responded that the firm in his judgment is making a concerted effort to hire minority lawyers, but because of the nature of the firm's practice and its small size and that it is only two years old that quality is important. The percentage of interviews of minority lawyers is two or three times the percentage of total applicants, and he truly believed the firm was making an effort, and though not successful today in identifying a minority lawyer to whom they wished to make an offer, that situation could change tomorrow.

Mr. Lee inquired of Mr. Borregard that if this item was not passed what damaging effect it would have on the YBC negotiations and Mr. Borregard responded that the Agency would be unable to meet any time schedules in the question of document preparation and further he could not project what the implications of that would be, but that it could seriously impair the Agency's ability to go forward at this juncture.

Mr. Lee inquired if there is anything additional that they could indicate they would do in the future in terms of an Affirmative Action Program for their firm and Mr. Lawson indicated it was their belief the firm is doing a substantial amount at this point and will continue to do that which includes continued contact with the eleven minority bar associations and the placement offices of each of the law schools and the student organizations of the minority associations in those law schools including their alumni and this has been their practice for the last year and a half.

Mr. Newman indicated he would like to move the recommendation of staff and noted that he believed the consultant had heard the serious distress of this Commission that the firm's intentions may be good, but their results are poor. This is looked upon as a moral commitment by this Commission and this firm will have to do a better job and show some statistics. Maybe the firm's practice will have to change and induce summer interns and associates of courts to come in who are minority and train them to fulfill their needs. This Agency is dealing with public funds and feels a responsibility and knows as good, honorable people this firm will honor the Commissions' wishes. Though the requirements of the legal pressures force the Commission to renew this contract, they are looking to good will and good efforts in producing some results.

Mr. King indicated he would like to second the motion because of the necessity of this contract, but has the same feelings as Commissioner Newman and believes this has been a good discussion and hoped that this law firm takes under consideration what Commissioner Newman pointed out to them.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 338-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk indicated her complete agreement with Commissioner Newman's comments and believed it is the Commission's concern that YBC not be held up, but would hope the law firm's representative here today would, the next time they come before this Commission, have implemented some affirmative action program.

NEW BUSINESS

- (a) Resolution No. 339-82, requests authorization of the use of \$105,573 of non-Federal funds available to the Agency to reimburse the City for disallowed costs related to Imperial Protective Service.

Mr. Kernan reported on item 9(a) as follows. The Agency had been overbilled from August 1980 through September 1981 by Imperial Protective Service for security services rendered to the Western Addition Area A-2 Project. However, before any restitution of these funds could be obtained, the contractor had declared bankruptcy and thus recovery was not possible. Agency staff had believed these costs to be allowable under Community Development Block Grant regulations; however, the Agency has been advised that HUD has disallowed the costs and requires a refund from the City. The Mayor's Office of Housing and Community Development has now requested a refund from the Agency. The Agency normally does not have non-Federal funds of any consequence; however, because of temporary investments of a non-Federal grant prior to its expenditure, the Agency has earned approximately \$135,000 of interest. Since these interest funds have not been committed for any specific purpose, it is recommended they be used to reimburse the City's Block Grant funds in the amount of \$105,573.

President Berk inquired as to how the Agency's process allowed this

NEW BUSINESS (continued)

to happen and Mr. Kernan responded that it was a staff oversight in monitoring and procedures have been implemented to assure that a similar situation does not occur again.

Mr. Lee inquired how long was it after the mistake in the billing was discovered that Imperial declared bankruptcy and Mr. Leo Borregard, Agency General Counsel responded shortly after the Agency had filed a suit against Imperial for restitution of the funds.

Mr. Newman inquired if there was any criminal action taken against Imperial, and Mr. Borregard responded he was aware of none. Mr. Kernan indicated it had been referred to the proper law enforcement agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 339-82 BE ADOPTED.

- (b) Resolution No. 340-82, requests approval of the transfer of approximately \$2,800 to pay retroactive salaries to the Bayview-Hunters Point Joint Housing Committee.

Mr. Kernan reported on item 9(b) as follows. In June of 1978 as a result of Proposition 13, the Agency informed the JHC of the moratorium on cost-of-living increases which were to become effective July 1, 1978. However, the increases were not implemented until five months later on December 1, 1978. When retroactive pay was recently restored to staff, JHC appealed for parity. Five former employees and one current employee are affected. As a matter of equity, staff believes it appropriate to restore these wages withheld from JHC.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 340-82 BE ADOPTED.

- (c) Resolution No. 341-82, requests granting an extension of time for the submission of a Pre-preliminary Development Proposal for Assessor's Block 3789, Lot 12 (Palmisano) and the northerly 200 feet of Lot 15 (Campeau Corporation), Development Site I-1, located on the south westerly corner of Brannan and First Streets; Rincon Point - South Beach.
- (d) Resolution No. 342-82, requests granting an extension of time for the submission of a Pre-preliminary Development Proposal for Assessor's block 3789, Lot 21, 24 and the southerly 230 feet of Lot 15 (Campeau Corporation) Development Site I-2, located on the northerly side of Townsend Street between First and Colin P. Kelly Jr. Streets; Rincon Point - South Beach.

Mr. Kernan reported on items 9(c) and (d) as follows. It is a requirement of the plan that the Oriental Warehouse which is owned by Campeau and is part of Development Site I-1 be aggregated for development purposes with the adjacent property, which is Lot 12 and

NEW BUSINESS (continued)

which is owned by Palmisano and is adjacent to the Oriental Warehouse in Site I-1. When the Agency and Campeau have agreed on development of Site I-1, Campeau will reenter negotiations for purchase of Lot 12, owned by Palmisano. If Campeau is unsuccessful then the Agency may have to consider acquiring all or a portion of Development Site I-1. Regarding Item 9(d) and the development of Site I-2 for housing, the first submission exceeded the height and bulk limitations of the Plan and did not address the affordable housing issue. These matters are now being worked on by Campeau and will be resolved during this extension period. In all other respects, staff finds that the approaches being proposed by Campeau are satisfactory and are likely to result in the submission of complete Pre-Preliminary development proposals by the requested extension deadline of February 15, 1983.

Mr. Lee inquired if Campeau would retain the timetable set for the design and Mr. David Stoloff, Business Development Specialist, responded affirmatively, during this time extension period.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 341-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 342-82 BE ADOPTED.

- (e) Resolution No. 343-82, requests authorization of an addendum to the Agreement contemplating a negotiated Disposition of Land with the Nihonmachi Community Development Corporation for Parcel 686-G, located on the northwest corner of Post and Laguna Streets; Western Addition A-2.
- (f) Resolution No. 344-82, requests authorization of an addendum to the Agreement contemplating a negotiated Disposition of Land with the Nihonmachi Community Development Corporation for Parcel 686-H(2), located on the south side of Sutter between Laguna and Buchanan Streets; Western Addition A-2.

Mr. Kernan reported on items 9(e) and (f) as follows. Both of these items request authorization of Addenda to the Agreement Contemplating a Negotiated Disposition of Land with the Nihonmachi Community Development Corporation (NCDC). Item 9(e) is for the parcel located on the northwest corner of Laguna and Post Streets, allocated to Mr. and Mrs. Susumu Seiki and Mr. and Mrs. Theodore Lee and Urban Land Company; item 9(f) is for the parcel located on the south side of Sutter between Laguna and Buchanan Streets allocated to Urban Land Company owned by Mr. and Mrs. Theodore Lee. Both parcels are in the Western Addition A-2. The developers of the parcel at Laguna and Post Streets propose to construct a three-story mixed use building with a basement. The first floor will be devoted to retail commercial use; the second to commercial offices and the third to a residential penthouse for one of the owners. The performance schedule will be to submit evidence of financing by

NEW BUSINESS (continued)

January 25, 1983; to commence construction by March 25, 1983, and to complete construction by September 25, 1984. The other parcel, item (f) will be developed by Urban Land Company which is owned by Mr. and Mrs. Theodore Lee. This developer proposes to construct a building containing five family rental units, plus 6 parking spaces. Of the six parking spaces, five are for the residential units in this development; and one is for the residential penthouse on the parcel mentioned under item (e). The performance schedule for this site is Submission of Evidence of Financing by March 29, 1983; Commencement of Construction by May 26, 1983 and Completion of Construction by October 26, 1984. The proposed development for both of these sites has been reviewed and approved by both the NCDC and WAPAC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-82 BE ADOPTED.

- (g) Resolution No. 345-82, requests authorization of a Second Amendatory Agreement to extend the Performance Schedule in the LDA for 90 days with Eddy Place Associates for Parcel 743-A which is located on the south side of Eddy Street between Franklin and Van Ness Avenue in the Western Addition A-2.

Mr. Kernan reported on item 9(g) as follows. In September 1981, an LDA was authorized with the Developers, Eddy Place Associates, who has proposed to develop 10,000 square feet of office space and four residential condominiums in response to Offering No. 21. The Developer is proposing to use Industrial Development Bonds (IDB) to finance the commercial portion of the development; which because of its small size cannot be publicly offered as the expense would be prohibitive. Therefore, the bonds must be privately placed, which to date has been unsuccessful. The Developer now has requested permission to convert the proposed mixed use development into all commercial, asserting that the residential portion of the development makes it impossible to use bond financing for the commercial portion and that lenders are reluctant to lend because buyers will have no control over 1/3 of the building. Bank of America with whom the Developer has been negotiating confirms this concern, but also maintains that financing is not assured even if the conversion is allowed. Based on the information provided by the Developer, staff believes the conversion appears unwarranted. Staff is conducting an independent analysis to determine the feasibility of this development for tax exempt financing both as a mixed use and an all commercial development. Eddy Place Associates has requested a 90-day extension while the Agency finalizes its review and to secure financing. The Performance Schedule would change to: Submission of Evidence of Financing from October 22, 1982 to January 25, 1983; and Conveyance of the Site from December 24, 1982 to March 22, 1983.

NEW BUSINESS (continued)

Mr. Arnelle left at this time, 5:20 p.m.

Mr. Terrence Hallinan, Hallinan and Associates, indicated that he believed Eddy Place Associates was taking an extremely long time to develop the property and if the residential portion of the proposed development was eliminated then the offering on the property should be reopened for proposals.

Mr. Mardikian inquired of Mr. Hallinan if he would construct residential and Mr. Hallinan indicated no, they would construct commercial.

Mr. Lee inquired if the 10,000 square feet of office space was net or gross; and Ms. Roslyn Baltimore, Eddy Place Associates, indicated gross. Mr. Lee indicated that obtaining financing was not easy for this type of development and Ms. Baltimore agreed. Mr. Lee indicated he hoped they could bring construction cost down and Ms. Baltimore indicated that because the parcel is in a fire zone, the construction costs will be higher.

Mr. Newman inquired that in the event it is only feasible to do commercial could this property be reoffered and Mr. Kernan responded affirmatively, but at this point staff had no recommendation. Ms. Baltimore has spent considerable funds already and a change in the use would necessitate a public hearing where her proposal could be accepted or rejected.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-82 BE ADOPTED.

- (h) Resolution No. 346-82, requests authorization of a First Amendment to the Personal Services Contract with Keyser-Marston Associates, Inc. (KMA) in an amount of \$47,000 for the Yerba Buena Center Project.

Mr. Kernan reported on item 9(h) as follows. In June of 1980 a contract was authorized with this firm to assist the Agency in all aspects of the marketing and developer selection for the mixed-use development in YBC. Keyser-Marston has participated as a member of the developer selection group and provided staff with all financing analysis through the entire selection and negotiation process. When funds from the 1980 contract were expended a new contract was approved in June of this year. Staff believes it is essential to continue to have the availability of KMA's valuable services as their role has expanded because of the complexity of the negotiations and they are crucial to the completion of the LDA with Olympia & York and the financial report on the Agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 346-82 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 347-82, appointing Patsy R. Oswald Agency Secretary.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 347-82 BE ADOPTED.

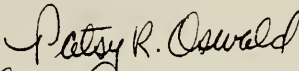
MATTERS NOT APPEARING ON AGENDA

- (a) President Berk read Resolution No. 348-82 which was commending and expressing appreciation to Lloyd E. Sinclair for his service upon the occasion of his resignation from the Office of Agency Secretary of the Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on personnel and litigation. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


for Lloyd E. Sinclair
Secretary

APPROVED

January 25, 1983

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3/82

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF NOVEMBER 1982

JAN 6 1983

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of November, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Haig G. Mardikian
Walter S. Newman

and the following was absent:

Melvin D. Lee, Vice President, arrived at 4:27 p.m.
H. Jesse Arnelle
Leroy King arrived at 4:25 p.m.

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Western Addition Project Area Committee (WAPAC), Robert Myers, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of September 28, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of October 26, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of November 9, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session of November 16, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Berk reported that she and Mr. King had attended the All Hollows Community Development Corporation's lottery ceremony for 300 units in Hunters Point November 17.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At yesterday's Board of Supervisors meeting the \$12,000,000 Bond issue for R & J Futuristics was approved.
- (b) At today's Recessed Joint Finance/Planning, Housing and Development Committee meeting regarding the City's 1983 Community Block Grant Program that includes this Agency, the Committee acted to pass to Board for their consideration at the meeting of November 29, 1982.

NEW BUSINESS

(a) (b) (c) and (d) Resolution Nos. 349-82, 350-82, 351-82 and 352-82, request amendments to the Contracts for reuse appraisal services with Rudolph D. Barker, Marshall and Stevens, Inc., James A. Porter, and Mills-Carneghi and they will cover all Redevelopment Project Areas except the Rincon Point - South Beach project which is covered by two specialized waterfront appraisers. The total amount is not to exceed \$140,000.

Mr. Hamilton reported on items (a) (b) (c) and (d) as follows. Though YBC is the only remaining project that comes under HUD regulations, staff believes that their practice a prudent one which requires all properties to be disposed of by the Agency be appraised independently by at least one professional appraiser in private practice. If the fair reuse value exceeds \$25,000, at least two appraisals should be obtained. Since the Agency's need for appraisals does not always coincide with the appraiser's schedule, this panel of appraisers has been established. For the next twelve months, it is anticipated that 42 parcels of vacant land and 18 rehabilitation properties will need to be appraised. Of the \$140,000 estimated cost, it is desired to earmark \$20,000 for a qualified minority and/or women appraiser to the panel. The Rudolph D. Barker and James A. Porter are one-person firms and staff reviewed the affirmative action programs of the Marshall & Stevens and Mills-Carneghi firms and found them acceptable. These four appraisal firms have exhibited a high level of competence in providing their services. Approval is recommended.

Mr. Earl P. Mills, Deputy Executive Director for Community Services, reported on the firms affirmative action programs: the Rudolph D. Barker firm is a one-person firm, owned by a minority; the James A. Porter firm is a one-person firm; Marshall and Stevens and Mills-Carneghi, which are larger firms, were reviewed and they are committed to working with the Agency on their programs and with this information staff finds their affirmative action programs acceptable.

Mr. King arrived at this time, 4:25 p.m.

Ms. Mary Rogers, WAPAC, indicated she was concerned with the affirmative action programs of those firms who have Personal Services Contracts with the Agency, as she believed their hiring policies had not improved.

NEW BUSINESS (continued)

Mr. Lee arrived at this time, 4:27 p.m.

Mr. Hamilton responded to Ms. Rogers' question, that the firm of Mills-Carneghi had hired one professional white female and when a professional position opens up they will work with the Agency to hire a minority and with the others Mr. Mills found their programs satisfactory.

Mr. Hamilton indicated that in the presentation he had requested a set aside of \$20,000 for hiring a minority appraiser, which was increased from \$10,000, as stated in the memo, and inquired of Mr. Leo Borregard, Agency General Counsel, if a resolution was needed to provide that authority and Mr. Borregard indicated unless there is express authority staff will have to return to the Commission for approval.

President Berk inquired about the \$20,000 set aside and Mr. Hamilton indicated that \$120,000 would cover the four subject appraisal firms and when a qualified minority is found an additional \$20,000 would be requested. President Berk indicated that with the additional \$120,000 this brings the total to \$410,000, going back to September 1980 and Mr. Richard Kono, Acting Development Director indicated affirmatively.

President Berk inquired if there was a ratio of expenditure of funds for the appraisals and Mr. Kono, Acting Director of Development responded that it depends on the complexity of the property.

Ms. Blomquist inquired why the \$20,000 for the minority firm did not come out of the \$120,000. Mr. Hamilton advised the Commission that the four contracts could be reduced by \$5,000, then staff may have to come back to the Commission for more funds and Ms. Blomquist said that would be more judicious, and would prefer staff come back when they need more funds. No contrary views were expressed by the Commission and the four subject resolutions were amended by reducing their amount by \$5,000 each.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 349-82 BE ADOPTED AS AMENDED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-82 BE ADOPTED AS AMENDED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 351-82 BE ADOPTED AS AMENDED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 352-82 BE ADOPTED AS AMENDED.

- (e) Resolution No. 353-82, requests authorization to grant an extension to January 18, 1983 for the submission of Pre-Preliminary Development Proposal for Development Site F, which is the Cape Horn Warehouse located on the northwest corner of First and Federal Streets in the Rincon Point - South Beach Redevelopment Project.

Mr. Hamilton reported on item (e) as follows. On June 22, 1982 an extension was granted for purposes of completing a development proposal. Gregory and Falk, owners of the property, expressed a

NEW BUSINESS (continued)

desire to historically preserve the building and convert the ground floor to neighborhood commercial in conformance with the Redevelopment Plan. They have obtained professional design and engineering assistance to complete the Pre-Preliminary Development Proposal. However, design and cost estimation work has not yet been completed. Staff has confirmed that planning, architectural and engineering work is underway and that a complete Pre-Preliminary Proposal will be submitted within the requested time extension. Approval is recommended.

Mr. Mardikian left the meeting at this time, 4:30 p.m.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 353-82 BE ADOPTED.

- (f) Resolution No. 354-82, requests approval of a First Amendment to the Contract with Thomas Aidala for Urban Design Services for the Central Blocks of Yerba Buena Center in an amount not to exceed \$5,000.

Mr. Hamilton reported on item (f) as follows. Mr. Aidala is a member of the Yerba Buena Center Design Review Panel consisting of Rai Okamoto and Hideo Sasaki, which has participated in reviewing design concepts advanced by Olympia & York and also in preparing alternative concepts with advice and recommendations to staff regarding the potential impacts of various alternatives. Since intense work needs to begin on refining the design concept by the developer's architects, the Agency requires Mr. Aidala's assistance in reviewing the further developing design, as well as advise staff and the Commission in resolving outstanding design issues. Approval is recommended. Mr. Mardikian returned to the meeting at this time, 4:42 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 354-82 BE ADOPTED.

- (g) Resolution No. 355-82, requests authorization of a Second Amendment to the Professional Services Agreement with Environmental Science Associates, Inc. (ESA) in an amount not to exceed \$13,700 which will provide additional environmental analysis which has been included in the Environmental Impact Second Supplement for Yerba Buena Center.

Mr. Hamilton reported on item (g) as follows. ESA is currently under contract with the Agency to prepare a Second Environmental Impact Report Supplement to modify and augment the Final Environmental Impact Report. The Draft of this Supplement was published on May 28, 1982; a public hearing was conducted jointly with City Planning Commission on July 6 of this year; and a substantial number of written and oral comments on the Draft Supplement were received. In August of this year the City Planning's Office of Environmental Review released the long expected cumulative list of projects in the downtown area. This list

NEW BUSINESS (continued)

necessitates the revision of the Second Supplement's cumulative transportation and air quality impacts, plus the preparation of a new cumulative Housing impacts analysis. Staff has negotiated this Second Amendment with the consultants and agreed on a cost not to exceed \$13,700. A reminder that a Joint Certification on the Second Supplement to the EIR on YBC will be held with the City Planning Commission on December 2 at 1:45 p.m. in Room 282, City Hall.

This firm's affirmative action program has been reviewed and found acceptable; in addition, they have been approved by the Human Rights Commission who monitors their program every six months. Approval is recommended.

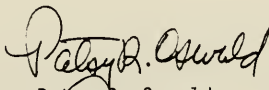
Ms. Blomquist inquired what the grand total of this contract is and Mr. Thomas Conrad, Chief of Planning and Programming indicated \$889,000. Ms. Blomquist requested that due to the high cost of this EIR That it be used as a model for the future in keeping costs down and Mr. Conrad indicated he agreed the cost was high and wished there had been a way to do it less expensively, but Yerba Buena Center had been a "fishbowl" for the downtown area.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 355-82 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:47 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

December 7, 1982

82
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF NOVEMBER 1982

DOCUMENTS DEPT.

DEC 27 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 30th day of November, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian

and the following was absent:

Walter S. Newman (arrived at 4:40 p.m.)

The President declared a quorum present.

Harold Bell, Acting Executive Director, and staff members were also present.

Also present were Noni Richen, Beideman Area Neighborhood Group; Ruth Gravanis, San Francisco Friends of the Urban Forest Group; and Mary Helen Rogers; Western Addition Project Area Committee (WAPAC); Rai Okamoto, Harry Weese, and Arnold Townsend, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; and Evelyn Hsu, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of November 9, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Berk reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is participating in the official opening of Opera Plaza and would be joining the meeting shortly.
- (b) She attended the lottery yesterday for the 31 units in the Affordable Condominium Program in Western Addition A-2, which received excellent press coverage, and she also noted that the second open house will be held on Saturday, December 4.

REPORT OF THE PRESIDENT (continued)

RULE OF THE CHAIR: President Berk indicated that subject to any objection of a Commissioner that the Executive Director's Report and item 9(a) would be held until Mr. Hamilton joins the meeting. There being no objection it was so ordered.

NEW BUSINESS

- (b) Resolution No. 357-82, requests authorization of a contract with the San Francisco Friends of the Urban Forest for the planting of eleven (11) trees at 1213-15 Scott Street, 1960-64 and 1966-70 Ellis Street, and 1939-65 O'Farrell Street, in the Western Addition A-2, in the amount of \$100 per tree.

Mr. Bell reported on item (b) as follows. Normally, street tree planting is accomplished through a work order with the Department of Public Works at a cost of \$200 per tree, not including sidewalk cutting. The friends of the Urban Forest has provided organizational and technical assistance to neighborhoods for three plantings since 1981. This organization has planted over 1,240 trees throughout the City, taking up the tree planting responsibilities abdicated by the City due to lack of funds. This contract came about through the efforts of the Beideman Area Neighborhood Group (BANG) to obtain a large-impact street tree planting for this neighborhood. Through a contest sponsored by the Friends of the Urban Forest (FUF) and the National Endowment for the Arts, BANG received FUF assistance for a planting of 68 trees. The planting of the 11 trees in front of these properties in the Beideman area will serve as a model to engender further cooperative efforts.

Ms. Mary Rogers, Western Addition Project Area Committee, (WAPAC), inquired who would maintain the trees, and Mr. Gene Suttle, Area Director, Western Addition A-2, responded that the Agency would maintain the trees in front of Agency property and the neighbors who are planting trees in front of their own homes will be maintaining there trees themselves. Mr. Suttle introduced Ruth Gravanis, Executive Director, San Francisco Friends of the Urban Forest Group, and Noni Richen, Beideman Area Neighborhood.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 357-82 BE ADOPTED.

- (c) Resolution No. 358-82, requests authorization to provide homeowner protection plans for a one-year period to the purchasers of the 31 condominium units to be conveyed under the Affordable Condominium Program in the Western Addition A-2 in the amount of \$5,115. Mr. Bell reported on item (c) as follows. The one-year contractor warranties have expired on all 31 units to be sold and although staff has made routine inspections of the units and obtained contractor corrections of problems that were observed during the warranty period, none of the appliances or mechanical systems have been used to the extent that proper functioning may be assured. American Home Shield has offered to provide all parts and labor

NEW BUSINESS (continued)

required to maintain all appliances, furnace, water heater, plumbing and electrical equipment for a one year period from close of escrow at \$165 per unit or a total of \$5,115 for the 31 units. Each service call would have a \$25 service fee charged to the homeowner. Based on past experience with repairs needed after initial occupancy, staff believes the \$165 per unit reasonable and recommends acceptance of American Home Shield's proposal.

Mr. Hamilton joined the meeting at this time 4:25 p.m.

Ms. Mary Rogers, WAPAC, inquired how the home protection plans applied to the buildings themselves, and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that the plans would be similar to the ones provided for the Victorian Square units. Ms. Rogers expressed concern that the plans cover structural defects. Ms. Blomquist noted that the memo only covers appliances and Mr. Hunter Johnson, Chief, Rehabilitation, indicated that the plans do not cover structural defects, only appliances, electrical and plumbing defects.

Ms. Rogers inquired about the length of the contractor's responsibility, and Mr. David Oster, Acting Agency General Counsel, indicated the statute of limitations was four years but if latent defects were discovered, the statute of limitations would be extended. Mr. Lee indicated that there is a one year warranty under State Contractor's licensing rules, and inquired what the warranty is for the 31 units and Mr. Oster stated the contractor's exposure is four years by virtue of the statute of limitations for breach of a written contract and that this is not in regard to contractor's licensing laws, but a general law for which the Agency would have recourse with the general contractor. Mr. Lee asked if the \$25 fee was a one-time charge, and Mr. Johnson responded no that it was \$25 per call. Ms. Rogers indicated concern with the condition of the units after they are sold and believed that the owners would not be able to afford major repairs, and if anything goes wrong she would be back to the Agency meeting to let the Commission know. Mr. Arnelle indicated that Ms. Rogers was always welcome back and believes the questions she raised were fine ones and that they had been covered by the record at this point.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 358-82 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) On November 29, the Agency conducted the lottery drawing for the 31 Western Addition condominium units and 16 Certificate Holders qualified for the lottery and will be given priority for the 31 units. A second Open House for the lottery winners will be held Saturday, December 4, 1982.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Yesterday the Board of Supervisors passed the 1983 Community Development Block Grant Program which included the Agency's budget and contract with the City for 1983. Mr. Hamilton noted that he was very pleased to report that the recommendation regarding staff reduction was denied by the Board.
- (c) The Human Services Committee of the Board of Supervisors is meeting today to consider amending the San Francisco Administrative Code by adding Agencies, Boards or Officers Operating under State Law to the Powers and Duties of the Human Rights Commission. On the same calendar is a Resolution urging the Agency to adopt policies and procedures for investigating and responding to complaints of discriminatory practices involving the Agency's activities and to consult and cooperate with the San Francisco Human Rights Commission in adoption and implementation of these policies and procedures. Mr. Mark Doane, Agency staff lawyer, will be covering these items and staff will keep the Commission advised.
- (d) Thursday, December 2 at 1:45 p.m. the Agency will be participating in a Public Joint Certification Meeting regarding the Second Supplement to the Yerba Buena Center Environmental Impact Report.
- (e) A status report has been provided to the Commissioners today regarding the Moscone Center Parking Garage and joint efforts of the Agency and Forest City Dillon in constructing housing above the garage. Yesterday the Parking Authority awarded a construction contract for the Moscone Parking Garage without housing. Though sources of potential funds for the housing were pursued, none have been successful. It is anticipated that bonds will be delivered December 15 and construction is expected to start shortly after the first of the year.

Ms. Blomquist inquired if the housing was totally dead, and Mr. Hamilton responded affirmatively, unless there is a quick reconsideration by the Parking Authority and the developer. Mr. Hamilton indicated he received a call from Mr. Bruce Hibbard, Area Manager, HUD, who was responding to a request made to him by the Mayor that HUD grant a waiver which would make the housing possible by deferring payment of HUD's land sales proceeds for the air rights until a later date, but he advised that this is not an eligible expenditure. Mr. Hamilton indicated that unless the developer advances the appropriate amount, there will be no housing. Ms. Blomquist inquired why the Parking Authority decided against housing, and Mr. Hamilton responded that the decision was always that of the developer to determine whether to advance funds necessary to strengthen the garage and noted that the developer assessed the investment and determined it was in excess of what a prudent investment permits. Mr. Mardikian inquired what the design for the garage would be if the housing does not go forward, and Mr. Hamilton

REPORT OF THE EXECUTIVE DIRECTOR (continued)

responded that it would be the less attractive, no-housing alternative but one the Agency deems acceptable. Mr. Arnette inquired if the design is specifically for a garage set in concrete rather than "mixed use", and Mr. Hamilton responded affirmatively. President Berk inquired if there was still retail on the street level and Mr. Hamilton responded affirmatively. Mr. Arnette indicated this was a big disappointment and President Berk concurred. Mr. Hamilton indicated the Mayor was vitally concerned about this and had called Mr. Henry Dishroom of HUD directly, which generated the call regarding the waiver from Mr. Hibbard who advised that it was not a question of discretionary authority, but a matter of regulations.

Ms. Helen Sause, Project Director, Yerba Buena Center, indicated there may be a small possibility for a solution beyond those the Agency had studied and that staff would be conferring with the City Attorney on it.

Mr. Newman arrived at this time 4:40 p.m.

Mr. Hamilton believed that the Agency should pursue this but should be careful to coordinate with the City Attorney and Parking Authority, as the award of the contract by the Parking Authority was not conditional.

NEW BUSINESS

- (a) Resolution No. 356-82, requests authorization of a consultant contract with Harry Weese for his participation on the Agency's Urban Design Panel for the Central Blocks in the Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. This contract will provide review services of the Olympia and York submissions during development of the project's design concepts in an amount not to exceed \$20,000. The Commission has retained an Urban Design Panel consisting of Messrs. Rai Okamoto, Tom Aidala and Hideo Sasaki. Staff had earlier anticipated strengthening the Design Review Team by adding a consultant with specific architectural expertise and sought advice of a number of people who have a knowledge of the architectural community and Mr. Weese was consistently recommended. Discussions with O&Y indicate that it would be advisable to have the capacity to respond to the rapid development of the design concepts and the specific architectural issues as opposed to urban design and landscape architectural issues. A number of significant architectural issues will need to be resolved very quickly in keeping with the Agency's and developer's commitment to "fast track" the business discussions and the program and design issues. Staff has met with Mr. Weese and reviewed the design concepts to date and finds that his experience indicates a familiarity and extensive participation with projects equal to the scale and complexity of Yerba Buena Center. His initial observations revealed a

NEW BUSINESS (continued)

constructive design insight that confirmed staff's knowledge of his expertise and experience.

Ms. Blomquist indicated that since Mr. Weese lives in Chicago the \$20,000 could be expended rather quickly, and inquired how staff would handle this, and Mr. Hamilton responded that Mr. Weese will be available to the Agency for intensive effort on an as needed basis. Mr. Weese spoke to his availability and indicated that Yerba Buena Center is of extreme importance to him and he would like to make a contribution. Ms. Blomquist indicated that Mr. Weese comes highly recommended, but was concerned how the Agency would utilize Mr. Weese's time. Mr. Hamilton responded that Mr. Weese's time will be used in those areas of more detailed design considerations and not the general planning and urban design considerations. Ms. Blomquist inquired how long the \$20,000 would last and Mr. Hamilton indicated that that would depend on the problems that develop during the design discussions with O&Y. Ms. Blomquist expressed hope that the Agency would make judicious use of taxpayers' money.

Mr. Mardikian inquired how staff arrived at the \$20,000 figure, and Mr. Hamilton responded that staff's experience for the need of an architect in this role as measured against the reasonable fees quoted by Mr. Weese indicated the amount necessary to assure that staff would have Mr. Weese available through major design considerations.

Mr. Arnelle inquired if Mr. Weese will be the design consultant for the Central Blocks, and Mr. Hamilton responded affirmatively. Mr. Arnelle indicated he had read Mr. Weese's background and was impressed with the sensitivity and experience that he brought to his profession and inquired if there are others in his firm who has his vision in case he is unavailable and Mr. Weese indicated that he has a capable committee who could take over should he be unavailable.

Mr. Newman asked how Mr. Weese viewed his function as a consultant to the Agency and whether he would act as a critic of Mr. Zeidler's work and if in the event Mr. Weese finds a need for modifications whether he would submit it to the Agency's architectural staff. Mr. Weese responded that he sees himself as one of four advisors working for the Commission and that they have the choice of accepting or rejecting his suggestions.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 356-82 BE ADOPTED.

- (d) and (e) Resolution No. 359-82 and Resolution No. 360-82, requests authorization of various documents to implement the sale of residential units in the five Affordable Condominium Developments in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (d) and (e) as follows. Preparatory to the sale of the 31 units, the Agency must execute and file documents for each of the five condominium developments: (1) Enabling Declaration establishing a Plan for Condominium Ownership; (2) Regulatory Agreement of the Association; (3) Condominium Subdivision Map; (4) Condominium Plan, and (5) any and all documents as may be necessary and appropriate in connection with the implementation of the Condominium developments. Item (d) requests authorization for the Executive Director to execute these documents with such modifications as may be required to conform to the uniform features of each development and to amend said documents either prior to or after recording for the purpose of meeting any technical requirements which may arise. This item also requests authorization of expending up to \$1,725 per month to pay for homeowners dues that may be required during the period the Agency owns any condominium unit. The Agency will pay these homeowner dues following sale of 51% of the units and continuing until all units in a development are sold. Item (e) requests approval of the Bylaws of the Western Addition Affordable Condominium Master Association, which will cover all five developments and will be comprised on an interim basis of five Agency staff members appointed by the Executive Director, who will be replaced by the President of each individual association following conveyance of sufficient units within a development to elect officers.

Ms. Blomquist inquired if dues were being paid only for the unsold units and not the certificate holders, and Mr. Hamilton responded affirmatively.

Mr. Lee inquired who was doing the condominium subdivision maps, and Mr. Johnson responded that Martin Ron and Associates. Mr. Lee inquired if the Agency had used any other firm and Mr. Johnson indicated no, but staff had been contacted by other firms and they have been referred to other developers for upcoming LDA's.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 359-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 360-82 BE ADOPTED.

- (f) Resolution No. 361-82, requests authorization of two agreements with First Nationwide Savings in connection with the Affordable Condominium Program in the Western Addition A-2. Mr. Hamilton reported on item (f) as follows. One agreement is for originating loans and the other is for servicing the loans once they are made. Staff believes it more efficient and convenient for the borrower if the institution originating and servicing the first loan also does so for the second loan, which will be made by the Agency. Also, it would be more economical if there is one entity doing all of the data collection and analysis of the purchaser's qualifications at time of origination, verifying insurance coverage, collecting taxes,

NEW BUSINESS (continued)

and keeping all records during the life of the loan. First Nationwide Savings is recommended because of their long standing commitment to assisting in the production of affordable housing, its familiarity with the California Housing Assistance Program, which is a State shared appreciation loan program that has features in common with the Agency's Affordable Condominium Program. Cost for the origination fee is 1% of the total amount of both loans which is expected to be approximately \$46,500 and an annual servicing fee of $\frac{3}{8}$ of 1% of the outstanding principal balance which will be \$1,454.69 the first month and decline each month as the principal balance of both loans are paid off. In addition, a $\frac{1}{2}$ of 1% commitment fee of approximately \$10,000 - \$15,000 is required by the Mortgage Corp. It had originally been anticipated that First Nationwide Savings could advance the funds for the fee; however, it now appears that this may not be possible due to the Mortgage Corporation regulations and it may be necessary for the Agency to advance the fees and be reimbursed from the closing costs. By approving this resolution, you are authorizing this expenditure, if required. Should this commitment be larger than is actually used, the Agency would be required to pay the fee on the excess commitment from proceeds of the sales. This could run as high as \$3,000. The borrowers will pay these fees associated with the commitment fee and origination fee as part of their closing costs except for the Certificate Holders fees which the Agency will pay. Servicing fees are included in the monthly payment.

Ms. Blomquist inquired about the Agency's exposure on closing costs for which the Agency will not be reimbursed, and Mr. Johnson indicated that it would depend on how many certificate holders are approved and what the closing costs amount to. Ms. Blomquist inquired how this would be paid, and Mr. Johnson responded out of sales proceeds.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 361-82 BE ADOPTED.

Ms. Rogers noted that no community people were invited to the grand opening of Opera Plaza and inquired how many units had been sold and how much money had been revested back to the Agency and Mr. Hamilton responded approximately 255 of 463 units have been sold but exact figures were not available regarding the funds being revested to the Agency, but those would be provided. President Berk indicated the Commission should also receive those figures.

- (g) Resolution No. 362-82, requests authorization of a down payment and Purchase Agreement, Maintenance Agreement and Software Programming Lease Agreement with IBM for a Data Processing system.

Mr. Hamilton reported on item (g) as follows. The Agency installed its current computer, an IBM System in 1970. It was leased for six years and purchased in 1976 for \$70,000 using accrued rental credits. With the rapid advancements in the computer field, this 13

NEW BUSINESS (continued)

year old system has become physically obsolete and has significant shortcomings including memory and ease of use. A new system would enable the Agency to eliminate the shortcomings and also allow the Agency to implement new applications as well as realize some personnel savings and increased productivity of staff. In order to address these needs, staff has conducted an extensive evaluation of three computer systems and on the basis of this evaluation, it is staff's belief that the IBM System 38 is the best solution to the Agency's data processing needs for now and for the foreseeable future. The low cost of conversion to the System 38 would allow a downpayment of \$55,000 to be made from this year's budget, which will enable the Agency to substantially reduce its future data processing costs through a 60-month purchase plan. Within a year, the added annual cost of the new system, with projected salary savings, is expected to be only \$4000 over the cost of the Agency's current system. Authorization is therefore sought to make this downpayment for the IBM System to enter into a 60-month purchase agreement, and to execute the necessary software and maintenance agreement for the System.

Mrs. Berk commended Mr. Harold Bell, Deputy Executive Director, Finance and Administration on the thoroughness of the memorandum, and Mr. Bell indicated that the research had been done by Kurt Habraschka, Systems and Procedures Supervisor, and Jim Nybakken, Personnel Officer.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 362-82 BE ADOPTED.

- (h) Resolution No. 363-82, requests authorization for Helen Sause, Project Director, Yerba Buena Center, and Wilbur W. Hamilton, Executive Director to travel to Washington, D.C. December 4 through 8, 1982 to attend NAHRO's Community Revitalization and Development Committee meetings which will be for the purpose of preparing testimony that he will give before the appropriate committee in Congress on the proposed regulations for CDBG. These are quite significant potentially in that they will address such matters as eligibility, administrative costs particularly for projects which have been financially closed out, a matter of great concern to the Agency, as all projects have been closed out except YBC. Also to meet with HUD on the possibility of a UDAG and GSA on the question of the Agency's or City's acquisition to track a purchase of the GSA site. Cost to the Agency will not exceed \$1,850.

Mr. Hamilton indicated that, given the discussions with O&Y, the Mayor's Office was concerned about travel at this time. Mr. Hamilton requested approval of this item subject to further discussions with the Mayor's office.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 363-82 BE ADOPTED.

Minutes of a Regular Meeting, November 30, 1982

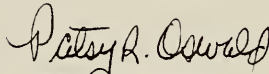
MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Mary Rogers requested that this meeting be adjourned in memory of Dr. Booker T. Anderson who passed away yesterday morning.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned in memory of Dr. Booker T. Anderson. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED

December 14, 1982

DEC 27 1982

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF DECEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting held in Room 282, City Hall, in the City of San Francisco, California, at 3:10 p.m. on the 2nd day of December, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Leroy King
Haig Mardikian

and the following were absent:

H. Jesse Arnelle
Dian Blomquist
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Toby Rosenblatt, President of the Planning Commission indicated that the joint certification meeting of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission is to consider and evaluate the Second Supplement to the Yerba Buena Center Final Environmental Impact Report (YBC FEIR). This document was prepared for review by the respective staffs of the Agency and the City's Office of Environmental Review in coordination with their consultants, Environmental Science Associates, Inc.

For the preparation and certification of this Final Environmental Impact Report Supplement, the City Planning Commission, acting on behalf of the City and County of San Francisco, and the Redevelopment Agency of the City and County of San Francisco have entered into an agreement to be joint lead agencies - for purposes of sharing lead agency responsibilities as permitted by the California Environmental Quality Act.

The consideration and evaluation concerned whether the Second Supplement to the YBC FEIR: (1) is adequate, accurate and objective, and (2) has been completed in compliance with the California Environmental Quality Act of 1970, as amended (CEQA), the State EIR Guidelines, Chapter 31 of the San Francisco Administrative Code, and the San Francisco Redevelopment Agency Resolution No. 59-77 relating to the preparation of environmental impact reports.

The environmental impact report process is designed to permit the public and the decision-makers to understand and analyze the environmental setting of a proposed development, to examine the various potential environmental impacts, to lessen significant environmental effects.

Minutes of a Special Meeting, December 2, 1982

Since the Yerba Buena Center Final Environmental Impact Report was certified in April 1978, and the First Supplement was certified in July 1981, the redevelopment program has evolved, especially on Central Blocks 1, 2 & 3, Eastern Block 2, and Southern Block 2 thereby making a Supplemental Environmental Impact Report advisable and beneficial.

The Commissioners of both bodies have received for their review and consideration the documents which comprise the Final Second Supplement. The Redevelopment Agency Commissioners have also received a staff-prepared draft resolution covering the findings under applicable laws and ordinances in order to certify the completion and adequacy of the Second Supplement.

It should be emphasized that the purpose of this certification meeting is to ascertain whether the Second Supplement to the Final Environmental Impact Report is an adequate document as required by applicable laws and ordinances; it is not the purpose of this hearing to examine the merits of the entire proposed Yerba Buena Center Project unrelated to environmental considerations.

At this time President Rosenblatt suggested that though the public hearings had been closed that additional remarks by the public be taken and President Berk indicated that the Redevelopment Agency Commission agreed.

The following persons addressed the joint Commissions: Mr. Christopher Martin Fisherman's Wharf Merchant's Association; Mr. Ed Delacruz, Fillipino-American Advocacy Consortium; Mr. Calvin Welch, South of Market Alliance; Ms. Regina Snead, San Franciscans for Reasonable Growth; and Mr. Walter Knox, resident of Yerba Buena Center.

The following City Planning Commissioners remarked on the YBC, EIR Second Supplement: Ms. Sue Bierman; and President Rosenblatt.

At this time it was agreed by both staffs and Commissioners that this item would be continued to January 4, 1983 at 4 o'clock p.m.

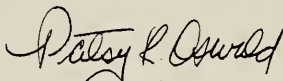
MOTION: IT WAS MOVED BY MS. BIERMAN, SECONDED BY MR. KARASICK THAT THE JOINT CERTIFICATION MEETING BE CONTINUED TO JANUARY 4, 1983, at 4 P.M.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE JOINT CERTIFICATION MEETING AND THE AGENCY'S SPECIAL MEETING BE CONTINUED TO JANUARY 4, 1983 AT 4 O'CLOCK.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

NOTE: A full transcript of these proceedings are on file with the Secretary at the Agency's offices at 939 Ellis Street, San Francisco.

APPROVED

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4
7/82

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF DECEMBER 1982

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of December, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian

and the following was absent:

Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ocie Rogers, Joint Housing Committee; David Fleming, State of California; Mary Helen Rogers, Western Addition Project Area Committee, George Kirkland, San Francisco Visitors & Convention Bureau, and James Johnson, Director, Mayor's Office of Housing and Community Development.

Representing the press were E. Hsu, San Francisco Chronicle; E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 23, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Berk reported to the Commissioners on the following matters.

- (a) In the past 48 hours, there has been a flurry of attention given to the lack of adequate meeting room space at the Moscone Convention Center. Several things need to be made clear regarding this lack: (1) The Redevelopment Agency staff and Commission have been made aware of this deficiency during on-going negotiations with Olympia and York. (2) The Moscone Convention Center is the centerpiece of Yerba Buena Gardens, and this Commission and staff will do

REPORT OF THE PRESIDENT (continued)

everything reasonable and proper to enhance the Center's success. If the Center does not do as well as possible, then it would follow that the Gardens would not do as well as possible. (3) Given the long and troubled history of Yerba Buena, whatever solution is selected must be in accord with all environmental considerations and must respect the majority opinion expressed in Proposition "S" several years ago. (4) Finally, a solution will be found -- and we guarantee that it will be. It cannot, of course, happen overnight. It will taken thorough exploration and sensitive handling, and that is also pledged. For in the \$1 billion Yerba Buena Gardens scheme, as previously approved by this Commission, it is felt this is something unique in beauty for San Francisco -- it is not desired to have that beauty or the ultimate success of the Gardens be compromised in any way. President Berk indicated Mr. George Kirkland of the San Francisco Visitors and Convention Bureau was present and wished to comment on this item.

Mr. George Kirkland of the San Francisco Visitors and Convention Bureau, indicated they are cognizant of the complexity of ongoing negotiations with O & Y and would not endeavor to complicate that process if it was not of extreme urgency as it relates to the success of the Moscone Convention Center. As the building was first proposed there had been plenty of meeting space. Subsequently, the construction of the Convention Center underground reduced the meeting space. Mr. Kirkland indicated they can't compete in the market place with this facility on a long-term basis unless the meeting space inventory is expanded. Now there is approximately 50,000 square feet of meeting space and some of our hotels have that much. Already twenty-three organizations who have indicated they would like to have their meetings here, but just can't afford to unless there is an expansion of the meeting room facilities. Mr. Kirkland indicated they need at least 75,000 net square feet of meeting room space to supplement that which they currently have, and this could easily be obtained on the roof of the convention center and requested this Commission consider a redirection of what that space will be used for and hopefully consider using it for meeting room space, which would enhance the convention center's ability to compete in the market place.

Mr. Lee inquired of Mr. Kirkland what is a reasonable amount of time to accomplish what is needed and Mr. Kirkland responded that they need the meeting room space physically in place by 1986, that is the critical year. The other problem is how soon can convention planners be assured that this is receiving prominent consideration so they might be willing to gamble that there will be something in place, which is more critical and needs to be addressed in the first three months of next year.

Mr. Mardikian thanked Mr. Kirkland for coming forward and expressing his view point so precisely. As a result of the experience he had serving as Chairman of the Western Restaurant Convention held in the Moscone Center it was clear the Center needs more meeting space, and

REPORT OF THE PRESIDENT (continued)

any additional numbers Mr. Kirkland could provide of conventions that might not happen or revenue lost because of the lack of meeting space would be helpful to the Commission in its deliberations. Mr. Kirkland indicated that in addition to the 23 organizations mentioned earlier the combined delegate expenditures of those groups exceed \$324,000,000 that would be spent in San Francisco.

Mr. Arnelle inquired if the groups Mr. Kirkland mentioned were first term conventions in San Francisco or groups who have been here before and Mr. Kirkland indicated some had met in San Francisco in the past and others have never met here before.

Mr. Arnelle indicated it would be helpful to have the figures Mr. Kirkland represented in the record as amounts of revenue the City would realize if the groups had their conventions here in 1986, 1987, and 1988 and Mr. Kirkland indicated he would have those figures to the Commission in the next 2 days.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At yesterday's Board of Supervisors' meeting they approved:
 - (1) the reappointment of Commissioners Arnelle and King;
 - (2) acceptance of the three Mini Parks in A-2;
 - (3) the Human Services Committee's resolution which amended the San Francisco Administrative Code by adding Agencies, Boards and Officers Operating under State Law to the Powers and Duties of the Human Rights Commission and the second Resolution that urged the Agency adopted policies and procedures for investigating and responding to complaints of discriminatory practices involving the Agency's activities and to consult and cooperate with the Human Rights Commission in adoption and implementation of those policies and procedures.
 - (4) the item on vacation of Kaplan Lane, which is to accommodate the YBC Parking Garage, was continued for one week.
- (b) Last Saturday, the second open house was conducted for the lottery winners of the Affordable Condominium Program and this Saturday they will have their orientation, as that program proceeds on schedule.
- (c) Also on Saturday was the planting of Street Trees in the Beideman Area, which was very successful, and well attended.

REPORT OF THE PRESIDENT (continued)

- (d) Bridgemont Foudation has submitted a letter withdrawing from the development of their proposed school in Yerba Buena Center. The commission will be kept informed of future developments for this parcel.

REPORT OF KEY STAFF MEMBERS

Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, reported on the status of the I-280 Transportation Alternative Study as it relates to the Rincon Point - South Beach Project. Mr. Cannizzaro also reported on the removal of the Embarcadero Freeway, the Southern Pacific Extension and the Muni E-line.

Mr. Arnelle inquired what would be the consequences of removing that Part of the 280 Freeway that runs in front of the Ferry Building and Mr. Cannizzaro responded that some feel the consequences would be minor and others feel it would be great. The traffic engineers are trying to determine who is right and hopefully all those answers will be forthcoming as a result of the study.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that item (c) would be taken up first. There being no objection it was so ordered.

NEW BUSINESS

- (c) Resolution No. 367-82, requests execution of a Letter Agreement with the City, which will continue a work order arrangement which provides the services of Mr. Martin Gustavson, an employee of this Agency, to the Mayor's Office of Housing and Community Development for the 1983 Community Development year. Mr. Gustavson holds the position of Deputy Director for Fiscal Management and Program Performance with OHCD.

Mr. Hamilton reported on item (c) as follows. This work order continues an arrangement which was started in 1972 to staff OHCD with technicians familiar with HUD programs. City Planning and this Agency cooperated by transferring an employee to work for OHCD. The arrangement allows Agency employees to be on a leave of absence from the Agency, which permits their continued participation with the State (PERS) retirement system, and has continued in subsequent years based on annual approvals by the Commission, the Mayor and the Board of Supervisors. Funds have been set aside in OHCD's 1983 administrative budget to continue this work order. The Agency is fully reimbursed by the City for actual salary, and staff benefits an pay increases, and the City will indemnify the Agency for any liability which may be incurred as a result of these services. The arrangement will be of great assistance to the City's OHCD and in the best interests of the Agency.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 367-82 BE ADOPTED.

NEW BUSINESS (continued)

- (a) Resolution No. 365-82, requests approval of Investors Mortgage Insurance Company as an additional private mortgage insurance carrier in connection with the Agency's Residential Mortgage Loan Program for Opera Plaza in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. As a requirement of the Agency's SB 99 Program for Opera Plaza, all loans are to be insured by private mortgage insurance. This insurance is paid by the owner. The Agency appointed Verex Assurance, Inc. in June of 1980 as the private mortgage insurance company for this program; however, a problem has arisen in regard to Verex's approval of loans involving co-signers and co-mortgagors in that its standard underwriting criteria for such loans is more restrictive than that which is used by the Lenders. Though Verex is willing to expand its criteria on a case-by-case basis, the resulting delays and uncertainty will jeopardize the success of the sales program. Staff believes a equitable solution to the problem is to appoint an additional insurance carrier for the Program that is willing to accept the underwriting criteria being applied by the Lenders under the Agency's Program, including that relating to co-signers and co-mortgagors and Investors Mortgage Insurance Company has indicated that willingness. This will give the Lenders the option of submitting the loan to either carrier with assurance that private mortgage insurance will ultimately be available.

Ms. Mary Rogers, WAPAC, stated there is no agreement between the purchasers of commercial space in Opera Plaza and the community regarding their affirmative action hiring practices and requested if there could be a meeting arranged with them to discuss this and Mr. Gene Suttle, Project Director, Western Addition A-2 responded that their LDA is the old form and predates the affirmative action hiring requirements, but he would be pleased to set up a meeting between Dexter Woods, WAPAC's affirmative action officer and Charles Jones, the Agency's affirmative action officer and Paul Palmisano of Opera Plaza to discuss.

President Berk inquired as to why these problems arise regarding co-signers and co-mortgagors and asked if this is unusual and Mr. David Oster, Assistant Agency Counsel, responded that the original contract, which contained Federal Home Loan Mortgage Corporation guidelines did not cover these items and there were no objective regulations stating that it should be contained in the language.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 365-82 BE ADOPTED.

- (b) Resolution No. 366-82, requests authorization of a Joint Exercise of Powers Agreement with the State of California in connection with the construction and financing of a State office building on a portion of the block bounded by Van Ness and Golden Gate Avenues and and Franklin and McAllister Streets; and appointing the Executive

NEW BUSINESS (continued)

Director and the Deputy Executive Director as alternate to serve a four-year term on the Joint Powers Entity Governing Board for the Western Addition A-2 Project.

Mr. Hamilton reported on item (b) as follows. As advised in a memorandum dated September 30, 1982, the Agency and the State of California have been negotiating the formation of a Joint Powers entity to be known as the San Francisco State Building Authority, otherwise known as the Authority, which would be empowered to finance, construct and lease a State Office Building, known as the Site. The Authority will acquire the Site and finance both the acquisition and the construction of the building by the issuance of tax exempt securities. The building will be leased by the Authority to the State after completion which will pay the debt service on the bonds as well as the expenses of the Authority. The Joint Exercise of Powers Agreement provides for Agency staff to perform services as necessary such as issuance of bonds and obtaining the financing, and the State to perform services necessary to construct the building. The costs to the Agency and the State for these services will be reimbursed in full by the Authority. The Authority will be a legal entity separate and distant from the Agency and the State and neither financial obligations nor liabilities of the Authority will be obligations or liabilities of either the Agency or the State.

Ms. Mary Rogers, WAPAC, inquired who would be the governing entity for the Joint Powers Governing Board and Mr. David Oster, Assistant Agency Counsel, responded there will be two persons from the General Services Administration (GSA) and one person, the Executive Director, from the Redevelopment Agency.

Ms. Mary Rogers inquired when will the LDA with the State regarding affirmative action hiring be available, and Mr. David Oster responded that the LDA is already in existence and if assigned to the Authority he believed they would maintain the same affirmative action program. Mr. Suttle indicated that new affirmative action language would be put in the LDA when it is known about the assignment and there would be communication to WAPAC and the Commission regarding that language.

President Berk inquired what action the State has to take to enter into the Joint Powers Agreement and Mr. Oster indicated there is existing State law that covers that action. Ms. Blomquist inquired about timing of construction and Mr. David Flemming, GSA, indicated the schedule calls for construction to begin between May and June of 1983.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 366-82 BE ADOPTED.

ADJOURNMENT

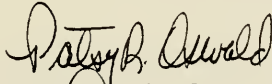
It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously

Minutes of a Regular Meeting, December 7, 1982

ADJOURNMENT (continued)

carried that the meeting be adjourned. The meeting was adjourned to a Closed Session on personnel and litigation at 4:53 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

December 21, 1982

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182
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF DECEMBER 1982

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of December, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Walter S. Newman

and the following were absent:

Haig Mardikian
H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Nicola Smith, Kimball Park; Robert Davis, Taylor Davis & Phillips; L. Jamerson, Jamerson Printing, Ocie Rogers, Jeanette Wiseman, Jose Rodgers, Charles Ryan, Joint Housing Committee; Pleasant P. Carson, Jr., Western Addition Project Area Committee (WAPAC); U. J. Montgomery, Black Star Enterprises; and Roosevelt Carrie, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 30, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the closed session of October 19, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of December 7, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the special meeting of December 2, 1982, as distributed by mail to the Commissioners, be approved.

At this time Mr. Hamilton left the meeting and Mr. Redmond F. Kernan, Deputy Executive Director, took over as Acting Executive Director, 4:12 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Kernan, Acting Executive Director reported to the Commissioners on the following matters:

- (a) The Vanguard/Donsdale development will be holding their groundbreaking ceremonies this Thursday, December 16 at 11:00 a.m. at Van Ness Avenue and Turk Street.
- (b) At yesterday's Board of Supervisors meeting they passed on first reading the vacation of a portion of Kaplan Lane in the Yerba Buena Center with a six to five vote.
- (c) Bids were opened today for Project Notes in the amount of \$12,535,000 for Yerba Buena Center for a three month period with the award going to Solomon Brothers, Inc. at 4.37%. This replaces the previous notes which were at 7.30%, a significant reduction in the interest rate.
- (d) There will be a Regular Meeting next Tuesday, December 21, 1982, which will be the last Regular Meeting of the 1982 year. There will be no Regular Meeting on December 28, 1982. The next Regular Meeting will then be held the first Tuesday of the New Year, January 4, 1983.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in a Fifth Amendatory Agreement for Disposition of Land, Parcel 707-B; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 368-82, requests authorization of a Fifth Amendatory Agreement to the Land Disposition Agreement which establishes a new Disposition Price with Goodlett Management Corporation doing business as Kimball Park Project for the parcel located on the northeast corner of O'Farrell and Steiner Streets in the Western Addition A-2.

Mr. Kernan reported on item (a) as follows. An LDA was approved in April of 1981 for the development of 20 two-bedroom condominiums over a parking garage. All documents have been completed and approved by staff and documents for a building permit were submitted to the City on February 16, 1982. Goodlett has entered into an agreement with A.G. Edwards to underwrite the tax exempt mortgage revenue bonds which provides permanent financing for the development. A.G. Edwards also agreed to find construction financing and they are exploring bonds, as well as a conventional construction loan. As part of this effort, a Financing Agreement was approved in November of this year which commits the Developer to reimburse the Agency for expenses incurred in preparing to issue Mortgage Revenue Bonds, and while the Developer moves toward

NEW BUSINESS (continued)

issuance of a tax exempt bond issue the absolute conveyance date has expired and thereby the disposition price; which was \$134,064. The site has been reappraised and a new disposition price has been set at \$201,000. This action would approve the new Disposition Price.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Ms. Blomquist requested that the Secretary provide her with all the times this item has been on the agenda since August of 1976 and Ms. Patsy Oswald, Secretary, responded that it would be provided.

Mr. Leo Borregard indicated that this item was not for an extension, but for a new land price and Mr. Hamilton indicated that the last extension had alerted the Commissioners to that fact.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 368-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Lee
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

Mr. Hamilton returned to the meeting at this time, 4:22 p.m.

- (b) Resolution No. 369-82, requests authorization of an Agreement with the Western Addition Project Area Committee (WAPAC) as the Project Area Committee for the Western Addition A-2 for one year in the amount of \$147,000.

Mr. Hamilton reported on item (b) as follows. WAPAC, the official community participation organization for the Western Addition since 1968, is responsible for representing the residents and businesses of that area in all Agency related activities. The proposed contract remains consistent with the terms of the 1982 contract with the only substantive change being the deletion of language referring to the Agency's Loan and Grant Contract with the Department of Housing and Urban Development for financial aid in the A-2 Redevelopment Project. This section no longer applies since the financial close-out agreement was executed. The Agency had included

NEW BUSINESS (continued)

in its budget \$77,000 for funding of WAPAC in 1983 which represented about one-half of WAPAC's 1982 budget. However, WAPAC has been successful in lobbying the Board of Supervisors during CDBG hearings and has received an additional \$70,000, for a total of \$147,000 for the year of 1983. Ongoing negotiations with WAPAC has achieved an agreement on an acceptable line item budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 369-82 BE ADOPTED.

- (c) Resolution No. 370-82, requests authorization of a Second Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with litigation regarding the Ella Hill Hutch Community Facility in the Western Addition A-2 in an amount not to exceed \$75,000.

Mr. Hamilton reported on item (c) as follows. The Community Facility was financed by the Agency using EDA Grant Funds and was constructed by the City. In October 1981 the Agency contracted with the law firm of McCutchen, Doyle, Brown and Enersen to defend the City against a lawsuit filed by the Arntz Contracting Company, the general contractor. The City tendered and the Agency accepted the defense of this lawsuit. The original contract amount of \$25,000 has been expended and the requested additional funding will provide payment for both outstanding and anticipated billings and brings the total amount of this contract to \$100,000. Of this \$75,000, approximately \$25,000 will be used to obtain an independent evaluation of the numerous claims and counterclaims asserted in the Action. McCutchen will be using the firm of Jacobs Associates, who previously provided this type of service for the Agency. McCutchen's rates are extremely reasonable for this type of construction-related litigation and an updated affirmative action program has been approved by staff.

Mr. Lee inquired if a 10% retention was still being held against the contractor and Mr. Steve Zovickian, McCutchen, Doyle, Brown & Enersen, indicated affirmatively for noncompliance of the contractor. Mr. Lee inquired what percentage of the total contract was being retained and Mr. Zovickian indicated he did not know the percentage, but believed the total contract was approximately \$2 Million.

Ms. Blomquist inquired of Mr. Borregard why the Agency's legal staff could not handle this lawsuit as the Agency was paying a considerable amount for outside legal services. Mr. Borregard indicated that the problem is with construction and other major litigation where depositions may go on for months at a time. This would take two lawyers out of the office. The Agency's in-house legal staff does not have the capacity to handle the internal business of the Agency and spend that amount of time in litigation services.

Ms. Blomquist inquired if the \$75,000 is the amount if this case goes to trial and Mr. Borregard indicated it is the upset amount and if the case was disposed of sooner it would be less.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 370-82 BE ADOPTED.

- (d) Resolution No. 371-82, requests authorization of a Third Amendatory Agreement to the LDA with Roosevelt and Altheda K. Carrie which revises the Schedule of Performance for the parcel located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The LDA was authorized in October 1981 and a Second Amendatory Agreement approved in September of this year which revised the Schedule of Performance for submission of evidence of mortgage financing. The lender has tentatively approved the construction and permanent financing on receipt of additional information regarding the Developer's contractor and firmer cost estimates. As the Carries have completed all the requirements with the exception of confirming their evidence of financing, it is expected the loan commitment will be accomplished within the time extension which is to: submit evidence of financing by March 1, 1983; and conveyance of the site by April 6, 1983. If conveyance does not occur by April 6, 1983, the LDA requires that the property be reappraised.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 371-82 BE ADOPTED.

- (e) Resolution No. 372-82, requests authorization of an Eighth Amendatory Agreement to extend performance dates in the LDA with Elizabeth Jamerson for the property located at 685-91 McAllister Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. An LDA was approved in August 1980 for purchase and rehabilitation of 685-91 McAllister and has had six Amendatory Agreements due to difficulties by the Developer initially in resolving building code problems and later in obtaining financing for the project. The Seventh Amendatory approved October 19, 1982 allowed additional time to obtain a building permit and contractor bonding. Conveyance was to take place no later than today, December 14, 1982. Staff is recommending an extension because the Section 312 loan now in place is not transferable to another developer and the loss of these scarce low-interest rehab funds would impact negatively on the Agency's credibility in obtaining further 312 allocations; and further, this building is under condemnation proceedings and staff must report progress being made to the Court regularly. If additional time is taken in selecting a new developer, it could result in the Agency being ordered to demolish the structure. This revised performance schedule provides intermediate deadlines for completion of each of several items with a five day cure period that will apply to each intermediate deadline. The schedule now calls for Submission of a Building Permit Application by December 22, 1982; Submission of Contractor Bonding Application by December 23, 1982; Submission of

NEW BUSINESS (continued)

Construction Supervisor Qualifications by December 27, 1982; Submission of Contractor Cost Breakdown and Subcontractor bids by January 26, 1983 and Conveyance of the Site by February 15, 1983. The Eighth Amendatory also contains an additional provision to reflect the conditional approval of Mr. Jamerson as the contractor. Staff believes the schedule reasonable and if the Developer and contractor live up to their currently stated commitments, they can meet each date. Staff believes this extension should be honored, but is the last extension that should be considered.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 372-82 BE ADOPTED.

- (f) Resolution No. 373-82, requests authorization of a Second Amendatory Agreement to the LDA with Suttermore Associates for the parcels on the northeast side of Sutter Street between Fillmore and Steiner Streets in the Western Addition A-2. This agreement will extend the performance dates in the LDA for 90 days.

Mr. Hamilton reported on item (f) as follows. In October of last year, you authorized an LDA with Suttermore Associates who is planning to develop 68 one and two-bedroom condominiums and 15,000 square feet of commercial/office space. The design of the development has proceeded on schedule, preliminary and final construction documents have been submitted and approved by staff, and application for a building permit has been made. The developer, how is eligible for SB-99 tax-exempt bond financing, retained the investment banking firm of A.G. Edwards and Sons of St. Louis to proceed with the bond issue for permanent and possible construction financing. Recently the Commission approved a financing agreement between the Agency and the developer to assure the Agency's reimbursement of expenses incurred in preparing this bond issue. A. G. Edwards is finalizing the bond documents and potential mortgage lenders have been provided with formats for these mortgage revenue bonds. Determination of a mortgage lender is forthcoming. The bonds are scheduled to be issued and sold in early February of next year. Staff will return to the Commission for approval of the final bond documents. The developer is requesting this extension considering the progress and positive outlook of its development. The Schedule of Performance would be revised as follows: Submission of Evidence of Financing, from December 13, 1982 to March 15, 1983; and Conveyance of Site/Close of Escrow from January 13, 1983 to April 12, 1983.

President Berk inquired as to who the principles are in this development and Ms. Nicola Smith, Kimball Park, indicated there are five doctors who form a general partnership: Dr. Shear, Dr. Myers, Dr. Dent, Dr. Strange and Dr. Goodlett.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 373-82 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 374-82, requests approval of an Extension of the Performance Schedule for the Land Disposition Agreement with Bushmoor Associates for the parcels located on the east side of Fillmore Street between Bush and Sutter Streets in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. Bushmoor Associates plans to build 36 residential condominiums and 7,000 square feet of retail commercial space on one parcel and an additional 14 condominiums on the other parcel. They have secured a site permit, excavation and foundation addenda to start construction on Parcel 677-B, and United Federal Savings has provided a construction loan commitment for that portion of the development. However, on November 15, 1982 the Agency was notified of a lawsuit and lis pendens brought by John Brennan who believed the Agency should have reoffered the site rather than entering into a new LDA with Bushmoor. Subsequently, on December 6, 1982 the Agency received notice of a second lis pendens, this one by Mary Rogers. Under these circumstances it was impossible to convey the site on or before the December 6 conveyance date specified in the LDA. The developer is negotiating with Mr. Brennan and Ms. Rogers to remove the lis pendens and lawsuits and has requested a 30 day extension from the date of this meeting to complete these negotiations and take title. The performance schedule would be Conveyance of Site from December 6, 1982 to January 13, 1983.

Mr. Lee left the meeting at this time, 4:35 p.m.

Mr. Leo Borregard, Agency General Counsel, indicated to the Commission that the Resolution before them should be modified to add the following language: "the Agency elects not to terminate the Agreement" with Bushmoor Associates.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 374-82 BE ADOPTED, AS AMENDED TO ADD THE LANGUAGE "THE AGENCY ELECTS NOT TO TERMINATE THE AGREEMENT."

Mr. Lee returned to the meeting at this time, 4:44 p.m.

- (h) Resolution No. 375-82, requests authorization of a contract with the Bayview-Hunters Point Joint Housing Committee as the Project Area Committee for the Hunters Point - India Basin Projects in the amount of \$116,000.

Mr. Hamilton reported on item (h) as follows. JHC has been the official community participation organization for the Hunters Point - India Basin Project Areas since 1969 and is responsible for representing the residents and businesses of these Areas in all Agency connected matters. The contract remains consistent with the 1982 contract terms; however, the dollar amount was increased from the \$58,000 the Commissioners approved earlier this year. The Board

NEW BUSINESS (continued)

of Supervisors increased that amount to \$116,000 and the Mayor's Office of Housing and Community Development has again requested that the Agency administer the entire amount.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 375-82 BE ADOPTED.

- (i) Resolution No. 376-82, requests authorization of a Third Amendatory Agreement revising the Performance Schedule in the LDA with Bay Vista Homes for the development of various parcels in Phase I of Hunters Point.

Mr. Hamilton reported on item (i) as follows. An LDA was authorized in June 1981 for development of fifty-five (55) market rate, residential dwellings on scattered sites in the Phase I area of Hunters Point. The project is being constructed in two phases, 18 units in the first phase and 37 units in the second phase. Six of the 18 in Phase I have been completed. The last extension was approved September 14 of this year. The Developer is requesting an amendment to the Performance Schedule for his second phase occasioned by the requirement of the interim financing agreement with his construction lender which states that the Developer is allowed to start construction on six additional units in phase one only after escrow has closed on the first six units. The Developer is redesigning the units that comprise his second phase for the purpose of reducing the basic cost to construct the units. The Developer is also negotiating with the lender to remove the constraint regarding construction starts. The recommended changes in the performance schedule would be as follows: Submission of Evidence of Financing, from December 1982 to April 1983; Conveyance of Site, from January 1983 to May 1983; and Completion of Construction, from January 1984 to April 1984. Staff believes that since the first six units are complete, interim financing in place, and the Developer is participating in an SB-99 program, that extending the additional time to the Developer to submit evidence of financing for the second phase is warranted.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 376-82 BE ADOPTED.

President Berk announced that the meeting would be recessed to a closed session on litigation after which the meeting would reconvene in the 4th floor conference room for item (j) on the agenda. The meeting recessed at 4:50 p.m. and reconvened at 5:15 p.m. with the same roll call.

- (j) Resolution No. 364-82, requests approval of the development of two demonstration single-family affordable homes in the Hunters Point Project and authorization to file an FHA mortgage insurance application and to take all actions necessary to construct these homes.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (j) as follows. The Agency's Affordable Condominium Program in Western Addition A-2 was made possible by the Agency's ability to use its ownership interest in the land and structures as a mechanism for a shared-appreciation program. That solution is not possible with new construction because the Agency owns an interest in land only which usually is not a high enough percentage of total mortgage costs. "Affordable" housing, however, has many variations. In the realm of new construction, it has become apparent that one way to achieve affordable housing for moderate-income families (120% of median income) is through significant reductions in construction cost. Construction cost reduction means, in effect, offering less house for less money. George McLaughlin of the Agency's Architectural division has designed a single-family semi-finished starter house which we think would be particularly applicable at the present time in the Hunters Point Project. Two demonstration house plans have been developed which provide for different methods of owner expansion. Cost of finishing would be omitted from the sales price of the home and would be at the option of the owner. Agency staff would like to construct two of these homes on vacant lots on Innes Avenue in the Hunters Point Project. The demonstration would tell the Agency whether or not a simple house can be built, without deep government subsidy, at costs affordable by moderate-income families, and tell us much about the market demand for a house of this kind. Staff is completing working drawings for the test houses and have obtained a professional cost estimate from Lee Saylor, Inc. who estimates construction costs at \$52,900. When construction financing, incidental fees, and land are added to that, we get a total sales price of \$63,000 per unit. Imperial Bank has agreed to finance the two mortgage loans on an SB-99 note which would be in the approximate sum of \$125,000, with a present interest rate of 10.5 to 11%. The plans have been reviewed and well received by HUD and they will entertain an application for FHA mortgage insurance under Section 203(b). If the Agency acts as developer the Agency will be obliged under State law to select a contractor by public bid and to limit home sales to families in the moderate income range. Each home will have its own lot and will be sold in fee simply without need of condominium or homeowners associations. Staff is considering deed restrictions to prevent speculation.

At this time Mr. Hamilton left the meeting and Mr. Earl P. Mills, Deputy Executive Director for Community Services took over as Acting Executive Director, 5:25 p.m.

Mr. George McLaughlin, Agency Architect, described the design of the two demonstration houses. Mr. Lee inquired about the size of the houses and Mr. McLaughlin responded they would be 18 x 36 feet. Mr. Lee inquired if the homeowner would be required to apply for a building permit even though the Agency has obtained one and Mr. McLaughlin responded affirmatively each time the homeowner makes a change to the house. Mr. Lee inquired if the homes would be detached and Mr. McLaughlin indicated these two houses would be

NEW BUSINESS (continued)

detached but if future ones are considered they will possibly be row houses. Mr. Mills informed the Commission that these parcels were chosen because they are not in the process of being developed by any contractors.

Mr. Newman inquired what the price would be for these homes and Mr. McLaughlin responded about \$53,000. Mr. Newman inquired what appliances were included and Mr. McLaughlin indicated all but a refrigerator, plus there will be hookups for a washer and dryer. Mr. Newman inquired if the price per square foot would be about \$40 and Mr. McLaughlin responded affirmatively. Mr. Newman commented that he thought this idea was terrific.

Mr. Lee inquired if a carport is included and Mr. McLaughlin responded no that there would be outside parking.

Mr. Newman inquired what would be the monthly cost, and Mr. Thomas Conrad, Chief of Planning and Programming, responded about \$540 for principle and interest with a downpayment of 5%.

Ms. Blomquist inquired how they would choose who would buy the homes and Mr. Mills responded that is still to be worked out. Ms. Blomquist inquired when construction would begin and Mr. James Wilson, Area Director, Hunters Point indicated early April of next year.

Mr. Newman inquired who would be able to afford these units and Mr. Conrad responded a family with an income of about \$25,000 to \$28,000, and the total monthly cost would be about \$745, which would include utilities and taxes.

Mr. Lee inquired what other areas the homes could be constructed on and Mr. Wilson indicated there are several parcels in the Hunters Point Area that are not now under discussion with any developer, such as Solomon Village and the Jedediah Smith School site which could be used for this type of housing.

The following persons commented on this item and spoke in favor of the development: Mr. Wade Woods, WAPAC; Mr. U.J. Montgomery, Black Star Enterprises; Joseph Skiffer, Bushmoor Associates; Mr. Willie Beasley, Charles Ryan and Jose Rodgers, Bayview-Hunters Point Joint Housing Committee.

Mr. Newman inquired if this kind of development had been successfully done in any other city and Mr. Hamilton indicated affirmatively, on the East Coast. President Berk inquired if staff would have to return to the Commission for approval on any other items regarding this development and Mr. Hamilton indicated affirmatively to approve the sale mechanism to be used and to award the contract for construction.

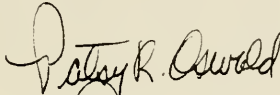
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-82 BE ADOPTED.

Minutes of a Regular Meeting, December 14, 1982

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald". The signature is written in dark ink and is positioned above the printed name and title.

Patsy R. Oswald
Secretary

APPROVED

January 4, 1983

JAN 24 1983

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF DECEMBER 1982

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of December, 1982, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Robert L. Thorp, Cross Cultural Family Center, Hiram E. Smith, Bluebird Associates; Carl Williams, Housing Authority; Wade Woods, Western Addition Project Area Committee (WAPAC), Larry Feldman, G & G Martco; Roy Chew and Richard Chew, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of December 7, 1982, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the closed session of December 14, 1982, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The ordinance on vacating a portion of Kaplan Lane to permit construction of the garage in YBC failed on second reading

REPORT OF THE EXECUTIVE DIRECTOR (continued)

by a 9 to 0 vote at the Board of Supervisors meeting yesterday. However, at the request of the Mayor, this item has been held over to a Special Meeting on Thursday, December 23, 1982.

Ms. Blomquist indicated she hoped that the Agency would put forth its recommendation with a strong effort regarding the traffic circulation recommendations made by the Agency's traffic consultants advise, having a garage now at all is of real concern. Concessions may have to be made and the ultimate recommendation will now be carried forward by Jeffrey Lee who has been assigned this item by the Mayor and may not respect all those recommendations made by the traffic consultant. Ms. Blomquist inquired if all entrances and exits would be on Third Street and Mr. Hamilton indicated that is not known at this time. Ms. Blomquist inquired if the Agency found the Tehama Street consideration viable and Mr. Hamilton indicated the City and the Agency has problems with that as that street area is designed as a pedestrian mall not a heavy equipment access. Ms. Blomquist inquired if it could be used on an interim basis, such as Maiden Lane, and Mr. Hamilton indicated that had been looked at, but Maiden Lane is used for small truck service, not eighteen wheeler deliveries.

Mr. Hamilton reported on the events leading up the Board of Supervisors' final vote of 9-0 against this item.

Mr. Newman inquired if when design is spoken about, does that mean only the ingress and egress and not the esthetics and Mr. Hamilton responded affirmatively. Mr. Newman inquired if the design had changed as a result of there now being no housing over the garage and Mr. Hamilton indicated there had always been two designs, one with housing and one without housing. However, without the housing it is not as attractive, which is why staff wanted housing and commercial on Third Street, so that in the heart of San Francisco adjacent to YBC there would be something more than just a utilitarian garage. Housing failed because the developer Forest City Dillon did not advance the money for the housing. The Clementina alternative, which had been supported by the consultants, has now been found to be unacceptable both to the businesses adjacent and to the Board of Supervisors. It appears that the Agency will be dealing with the structure that was essentially that which was represented initially as the one preferred by the Parking Authority.

Ms. Blomquist inquired if there was anything the Agency could do to improve the design and Mr. Hamilton indicated he did not believe so, but that staff would be doing everything possible, however, it will be minimum commercial if any at all off of Third Street. However, staff is trying to preserve the function of the mall off of Tehama. Ms. Blomquist inquired if Tehama has been dedicated and Mr. Hamilton indicated action had been taken and a portion of Tehama will be publicly owned and Mr. Larry Feldman, G and G Martco, will own the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

other portion, which he is obligated, under this agreement with the Agency, to improve and it is already vacated as a public right of way.

- (b) There will be no regular meeting next Tuesday, December 28, 1982. The next regular meeting will be held on January 4, 1983. Also, the Agency's offices will be closed Friday, December 24 and Friday, December 31 for the Holidays.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the execution of the new Agreement for Disposition of Land, Parcel 749-A; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 377-82, requests authorization of an LDA with Bluebird Associates for the parcel located on the southwest corner of Eddy and Webster Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In April, 1980 an LDA was authorized with Jesse Abrams for construction of eight market-rate rental apartments. However, the developer was unable to proceed and requested an assignment to Bluebird Associates, which was approved in September, 1981 and the market rate rental apartments were changed to condominiums. The site was conveyed in October, 1981 and construction was to begin 30 days later, but Bluebird did not start in keeping with the LDA. A Notice of Default was issued but not cured and the LDA terminated. Agency Legal staff reverted title to the parcel and commenced a Quiet Title action. However, after initiation of this action, the Developer and staff agreed to negotiate a new LDA based on an updated appraisal land price which is \$23,750. Bluebird has paid \$9,200 and will pay the \$14,500 balance out of the proceeds from the sale of the units as they are sold. The Agency will have a Second Deed of Trust to secure the developer's obligations. The City will provide permanent financing through its \$60,000,000 bond issue. The Schedule of Performance is Submission of Evidence of Financing, February 16, 1983; Conveyance of the Site, March 2, 1983; and Commencement of Construction, April 2, 1983.

Ms. Blomquist inquired as to why the balance of \$14,500, the cost of the land, was being paid by the developer out of proceeds from sale of the units when it is normally paid when the land is conveyed. Mr. Hamilton indicated this was an unusual case and was part of an agreement arrived at between staff and Bluebird Associates to prevent litigation being filed on the property as that could tie up any development occurring for years. Ms. Blomquist moved to not recommend this item as it was precedent setting.

NEW BUSINESS (continued)

Mr. Arnelle inquired if there is an implication that the Agency is partly at fault and Mr. Hamilton indicated no, that the developer had waited for the City bond issue to occur for his financing and so it was the developer who was taking advantage of the Agency. But in any event this solution for a new land sales price and deferred payment, which is at no risk to the Agency because the Agency will have a Second Deed of Trust, was worked out between staff and the developer in order to get the housing built.

Mr. Mardikian indicated that since this item sets a precedence and the developer is not present to reply to Commission questions he would move this item be held over to the next meeting.

Mr. Lee requested that he be provided with the unit mix and sales prices of the units and Mr. Hamilton indicated that would be provided.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, AND SECONDED BY MR. ARNELLE THAT THE PUBLIC HEARING AND ACTION ON ITEM 9(a) BE CONTINUED UNTIL THE MEETING ON JANUARY 4, 1983.

- (b) Public Hearing to hear all persons interested in the execution of the Agreement for Disposition of Land, Parcel 689-B, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Resolution No. 378-82, requests authorization of an LDA with Irene Lieberman for the parcel located on the northeast corner of Gough and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Exclusive Negotiations were entered into on September 28 with the Broadmoor Hotel and in turn its owner, Irene Lieberman, proposes to build a park for use of the elderly residents of her hotel. The park will have a series of sitting areas and for security purposes will be raised above the sidewalk approximately 10 feet. The disposition price has been set at \$95,000, and the LDA stipulates that if the Developer proposes to change the use she must pay the difference between the value of the limited use and that of the highest and best use. Mrs. Lieberman and her husband will also execute Owner Participation Agreements for their Kenmore Residence Club on Sutter Street as well as the Broadmoor Hotel which are the subject of items 9(c) and 9(d) on the agenda. The LDA stipulates that the site will not be conveyed to Mrs. Lieberman until a portion of the rehabilitation work for the Kenmore has been satisfactorily completed. The performance dates are. Submission of Evidence of Financing by August, 1983; Conveyance of Site by September, 1983; and Commencement of Construction by October, 1983.

NEW BUSINESS (continued)

Mr. Wade Woods, WAPAC, indicated that the WAPAC Board of Directors had approved this item.

Mr. Richard Chew a property owner in the Western Addition, indicated his opposition to this item.

Mr. Richard Morino, representing the developer, indicated there is a lis pendens on the subject parcel, but believed that would be removed.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Newman inquired that since Ms. Lieberman is acquiring the parcel for open space, would she have an option to develop the property for another use and Mr. Hamilton indicated a use change would be subject to Commission approval.

Mr. Lee inquired what the stipulation was in the LDA regarding this and Mr. Byron Rhett, Business Development Specialist, indicated that the LDA states the developer would have to pay the difference between \$95,000 and \$145,000 if she wanted to change the use from a park, plus an annual percentage for inflation or reappraisal at a later date.

Ms. Blomquist inquired why the park could not be raised, so there could be commercial underneath, and Mr. Hamilton indicated the Lieberman's had not expressed a desire to develop other than a park and the Commission had granted Exclusive Negotiations for that particular use.

Ms. Blomquist indicated she would like to move staffs recommendation with a condition to have this property perpetuity as a park and Mr. Lieberman indicated he would be happy to do so.

Mr. Lee inquired what the budget is for the hotel and Mr. Lieberman indicated around \$600,000. Mr. Lee inquired what would be underneath the park and Mr. Lieberman indicated a store room.

Mr. Newman inquired how the outside wall was to be designed and if there would be any landscaping along that wall and Mr. Hamilton indicated there would be bushes and trees along the outside wall and Mr. Lieberman added the concrete wall would be scalloped.

Mr. Arnelle inquired who would be responsible for maintenance and Mr. Lieberman indicated the developer would.

Mr. Arnelle inquired if the park would be opened to the seniors in the area and Mr. Lieberman indicated no because of security.

NEW BUSINESS (continued)

Mr. Newman indicated the park would be an attractive addition to the neighborhood.

Mr. Arnette indicated his support because of the open space and because WAPAC has reviewed and approved the proposal.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT LANGUAGE BE ADDED TO THE LAND DISPOSITION AGREEMENT WITH IRENE LIEBERMAN FOR PARCEL 689-B DENOTING THE PARCEL'S USE AS A PARK IN PERPETUITY.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 378-82 BE ADOPTED.

- (c) and (d) Resolution No. 379-82 and 380-82, requests authorization of an Owner Participation Agreement with Richard and Irene Lieberman for properties located at 1570 and 1499 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on items (c) and (d) as follows. The Lieberman property located at 1570 Sutter Street is a four story structure with a basement which contains 89 units. Its current use is as a residence club for college age individuals. An inspection survey was made by staff which resulted in a list of eleven deficiencies that are cosmetic in nature. As the Liebermans are rehabilitating this building on an ongoing process, those deficiencies cited will be completed within the two year period designated in the OPA. The property located at 1499 Sutter Street (The Broadmoor Hotel) is a five-story structure which contains 153 units. Its current use is for a senior citizens residential hotel where complete bed and board facilities and social and recreational programs are provided in a retirement residential setting. This structure has a Certificate of Final Completion and Occupancy issued by the City's Bureau of Building Inspection, and a survey of the building by staff concurs that the building is complete and conforms to the Rehabilitation Standards.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 379-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 380-82 BE ADOPTED.

Mr. Hiram Smith of Bluebird Associates arrived at this time, 5:15 p.m. and Mr. Hamilton advised him that the Commission requested additional information and is continuing his item (item 9(a)) for two weeks. Mr. Smith indicated he had believed the matter was routine and that his presence was not required. President Berk indicated that a developers' representative should always be present at a meeting where the Commission is being asked to act on a matter

NEW BUSINESS (continued)

concerning them and further this Commission does not consider this item routine, as it is not similar to other LDAs.

- (e) Resolution No. 381-82, requests authorization of an Owner Participation Agreement with the Cross Cultural Family Center (CCFC) for the property located at 1901 O'Farrell Street/1343 Pierce Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. CCFC is a non-profit organization providing preschool and day care services for approximately 150 preschool children, and currently operates four child care sites in the City including one located at 1901 O'Farrell Street/1343 Pierce Street. CCFC was formed as part of the nurseries program in the Cross Cultural Education Program funded by the Federal Government in 1966 to provide multi-cultural, multi-racial and cross-economic settings for early childhood education and child-care for the children of San Francisco. Their enrollment has been carefully balanced to reflect the many cultures and races in the City, and its operating funds are provided through the State Department of Education, child care programs, private donations, and private tuition. CCFC plans to rehabilitate this two-story building to preserve the Victorian character as much as possible during the conversion to a child care facility and administrative center, and plans to be licensed to provide day care services for up to 24 children by the California State Department of Social Services. The scope of rehabilitation includes complete renovation of the interior spaces to provide an efficient and healthy environment for the center at a cost of approximately \$30,000.

Mr. Wade Woods, WAPAC, indicated that WAPAC had approved this item and believed it an excellent program.

Mr. Earl P. Mills, Deputy Executive Director, Community Services, introduced one of the Board Members of CCFC, Mr. Robert Thorp.

Ms. Blomquist inquired how long this property had been used as a child care center and Mr. Thorp indicated about seven years.

Mr. King indicated he believed this center a great addition to the neighborhood.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 381-82 BE ADOPTED.

- (f) and (g) Resolution No. 382-82 and 383-82, requests granting a variance from the Western Addition A-2 Rehabilitation Standards for 1251 Turk Street, and authorization of an Owner Participation Agreement with the Housing Authority for the same property.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (f) and (g) as follows. This property will be converted from a multi-family public housing complex to housing for the elderly and will be called the Rosa Parks Senior Apartments. This 11-story concrete structure has 211 dwelling units with ground floor support services, and will be modified and rehabilitated to meet current City Codes and Agency Rehabilitation Standards. Plans and specifications prepared by the Housing Authority have been reviewed and conditionally approved by staff. It was noted that exposed wiremold electrical raceway will be in extensive use for lighting, outlets, and emergency call buzzer wiring. It is a requirement that all electrical wiring, with the exception of short pieces of surface metal raceways, must be concealed. Since the structure is concrete, this procedure could only be done with extensive furring out of the existing walls which would be economically infeasible. In order to allow for such application of extensive wiremold, your approval of a variance to the Rehabilitation Standards is necessary. The requirements set forth in the guidelines for affirmative action by the Housing Authority and the Western Addition A-2 will be monitored and enforced.

Mr. Carl Williams, San Francisco Housing Authority, gave a brief review of the development and indicated they were ready to begin rehabilitation next week.

Mr. Newman inquired if all City agencies had approved the exposed wires and Mr. Williams indicated affirmatively.

Mr. Mardikian inquired why the Agency has an OPA with the Housing Authority, which is another public agency, and Mr. Hamilton indicated because property in the A-2 Redevelopment Project is subject to the Agency's Rehabilitation Standards and Ms. Blomquist added that those standards are stricter than the City's.

Mr. Lee requested that the Rehabilitation Division go over those standards to see if any can be modified in order to reduce construction cost and Ms. Darby Nelson, Acting Chief of Rehabilitation, indicated they had done that before, but would be glad to go over them again.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 382-82 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 383-82 BE ADOPTED.

- (h) Resolution No. 384-82, requests authorization to purchase street trees from Pacific Nurseries of Colma for the Fillmore Neighborhood Commercial Development in the Western Addition A-2 in an amount not to exceed \$4,750.00.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (h) as follows. In February of this year, a Personal Services Contract was authorized with Stevens and Associates for the provision of contract documents for the construction of public improvements for the Fillmore Neighborhood Commercial Development. The construction of public improvements will be funded by the already approved Fillmore Neighborhood Urban Development Action Grant and will include installation of street trees, street lighting, special paving and street furnishings. Stevens and Associates has completed the schematic design for public improvements and the preliminary contract documents are in progress with the final documents anticipated for completion by February of next year. The street trees will not be installed until July of next year; however, Stevens and Associates has recommended that they be bought now to assure availability of the specific varieties; it is economically advantageous as the grower can eliminate sales and inventory expenses since he knows he has the sale; to assure tree size requirements are met; and to allow for consistency within a given crop of trees. Staff contacted three nurseries for price quotations and selected Pacific Nurseries of California, Inc., the lowest bidder, based on price, experience, and services. The \$4,750.00 will include storage fee and maintenance of the trees at the nursery. A 20% deposit is required and the balance would be payable after delivery of the trees in July of next year.

Ms. Blomquist inquired where Orange County Nursery and Valley Crest Nursery are located and Mr. Edmund Ong, Chief of Architecture, indicated that Orange County Nursery is located in Norwalk and Valley Crest Nursery is located in San Jose.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 384-82 BE ADOPTED.

- (i) Resolution No. 385-82, requests authorization of an extension to April 19, 1983 for entering into an Owner Participation Agreement with Triangle Square Partnership, Ltd. for the development of the property at the northwest corner of Beale and Bryant in the Rincon Point - South Beach Redevelopment Project Area.

Mr. Hamilton reported on item (i) as follows. The Pre-Preliminary Development Proposal was accepted in April of this year for a building with 34,000 square feet of office space and 5,000 square feet of retail space on a 20,000 square foot site. A portion of the building is proposed to be developed on approximately 2,000 square feet of land, owned by CalTrans, a State Agency. Negotiations for a lease have taken longer than anticipated and recently, an informal agreement was reached with CalTrans for the outright purchase of the property instead of a lease. CalTrans officials estimate it will require about three months to complete the transaction. Staff has been in touch with the owners and CalTrans officials and believes that all parties are working in good faith for the timely resolution

NEW BUSINESS (continued)

of the property transfer issue, and the requested extension is a reasonable amount of time for the completion of the transaction.

Ms. Blomquist inquired if this is a hotel site and Mr. Frank Cannizzaro, Project Director, Rincon Point - South Beach, indicated no, it is an office building site.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 385-82 BE ADOPTED.

- (j) Resolution No. 386-82, requests authorization to extend from January 7, 1983 to April 7, 1983 the "Offer to Purchase Real Estate and Acceptance Agreement" with General Services Administration (GSA) for the purchase of 49 Fourth Street in the Yerba Buena Center.

Mr. Hamilton reported on item (j) as follows. Negotiations with GSA culminated in an agreement which enabled the Agency to begin the acquisition process required by GSA's procedures. Submission of an Offer generally results in formal evaluation by GSA and submission of the Offer to a Congressional Subcommittee for its review, but because of inquiries by Congress, this process has been delayed. The acquisition of the 49 Fourth Street property from the GSA is essential to successfully conclude the negotiations for the development of the Yerba Buena Center Central Blocks.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-82 BE ADOPTED.

- (k) Resolution No. 387-82, requests approval of a First Amendment to add \$5,000 to the consultant contract with Hideo Sasaki for urban design services for the Central Blocks of Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. For the past year, Mr. Sasaki, a member of the YBC Design Review Panel with Rai Okamoto and Tom Aidala, has reviewed design concepts advanced by the developer, O & Y. He has also prepared alternative urban design recommendations to the staff regarding potential impacts of various alternatives. Work will soon begin on refining the design concept by O & Y's architects and this work will require the ongoing services of Mr. Sasaki who brings exceptional landscape architectural expertise to the review process.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 387-82 BE ADOPTED.

- (l) Resolution No. 388-82, requests approval of a Second Amendment to the Agreement for legal services with the firm of McDonough, Holland & Allen in connection with Yerba Buena Center.

Mr. Hamilton reported on item (l) as follows. This amendment will

NEW BUSINESS (continued)

increase the contract by \$50,000. Mr. Joseph E. Coomes, Jr., one of the firms partners, has been providing the Agency expert legal input since October, 1981 in connection with the core negotiating team for the Central Blocks development in YBC. His services are of crucial importance in the Agency's negotiation efforts with the developer. This amendment will increase the total contract amount to \$165,000. The firm's affirmative action program has been found to be acceptable.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 388-82 BE ADOPTED.

- (m) Resolution No. 389-82, requests authorization of an Agreement which will enable G & G Martco, Inc. to obtain permanent financing on the southeast corner of Third and Howard Streets in the Yerba Buena Center.

Mr. Hamilton reported on item (m) as follows. The LDA was authorized as a negotiated sale in November, 1979 and the building is now nearing completion with the office portion of the building approximately 80% leased. Martco has received a temporary occupancy permit from the City and tenants are occupying the building. Martco has obtained a lender who will provide permanent mortgage financing. The lender requires the Certificate of Completion prior to closing the loan as evidence of full satisfaction of the developer's obligations under the LDA, and is willing to complete the loan now, but Martco will be unable to complete the construction until mid January. Staff has developed an Agreement with Martco which will permit issuance of a Certificate of Completion which would be conditioned on completion of the remaining work items no later than April 1, 1983. To protect the Agency's interest and to insure that the remaining work items are completed, the Developer has agreed to establish an unconditional \$135,000 cash fund in favor of the Agency to insure completion of the remaining work items. In addition, the public art program will not be completed until the mall which connects the Convention Plaza with the Moscone Parking Garage is completed in about 24 months and Martco has deposited a Letter of Credit to cover this commitment.

Ms. Blomquist indicated that she wanted assurances that there will be stores along the mall (Tehama Street) and that the 1% art requirement will be adhered to and that there is no way the developer can get out of that. Mr. Hamilton indicated that those are requirements of the LDA and the Agency has the normal assurances and a legal contract with the developer. Ms. Blomquist indicated she did not feel assured. Mr. Mike Mann, Business Development Specialist, indicated under the terms of the LDA, design has been approved with ground floor retail along Tehama on the mall. However, it does not mean the developer could not return to the Commission and request a change. Ms. Blomquist indicated that she

NEW BUSINESS (continued)

felt if this item is approved it should be conditioned that there is assurances there will be commercial along Tehama.

Mr. Newman indicated that the Commission is being asked to approve the completion, and inquired if the project is designed with the retail along Tehama now and is ready to go and Mr. Hamilton indicated affirmatively, that it is already built. Ms. Blomquist inquired if it had electrical, plumbing and everything and Mr. Hamilton responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 389-82 BE ADOPTED.

President Berk inquired what the precedent was for issuing Certificates of Completion and Mr. Mann indicated this had been done for Embarcadero Center, Opera Plaza and a rehabilitation in YBC, the Mercantile Building.

Mr. Mardikian indicated that since reasonable guarantees have been given and financing is very difficult it behooves the Commission to move in a manner which will facilitate this project.

AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (n) Resolution No. 390-82, requests approval of a Fourth Amendment to the Agreement for legal services with the firm of Dinkelspiel, Donovan & Reder in the amount of \$100,000.

Mr. Hamilton reported on item (n) as follows. The Dinkelspiel firm has provided excellent service to the Agency in all project areas since June, 1980 on a variety of issues at fair and reasonable rates. At present, they are representing the Agency in the Rogers, et al. vs. HUD et al. lawsuit. Renewed funding, which will increase

NEW BUSINESS (continued)

the total contract amount to \$275,000, is necessary. Staff has reviewed the firm's affirmative action program and finds it acceptable.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 390-82 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Mr. Arnelle

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (o) Resolution No. 391-82, requests authorization for the Executive Director to execute the Agreement for Community Development Services with the City and County of San Francisco for the 1983 Community Development year.

Mr. Hamilton reported on item (o) as follows. The CD allocations approved by the Board of Supervisors and subsequently accepted by the Mayor total \$6,388,197.00. The final version of the Agreement is not yet available and will differ from previous Agreements in several important respects. The Agency wishes to insert appropriate language in the Agreement to permit flexibility in the use of funds between projects to carry out the 1983 work program. Since land sales proceeds must be used in the projects producing them, and it cannot accurately be predicted where they will occur, there is a need to be flexible in utilizing the sales proceeds wherever they occur. In the past the Agency has accounted for expenditures by the year in which the original allocation was made. This has complicated the accounting and reporting of CDBG expenditures. Uncommitted funds of prior years had to be reported as expenditures under the Agreements for those years even though program work items were changed, and as such, were included in future budgets. Staff is attempting to incorporate language in the Agreement that will in effect supersede prior Agreements to permit more meaningful reporting on performance. Also, the Mayor's Office of Housing and Community Development wishes to make several changes in the

NEW BUSINESS (continued)

Agreement to more nearly conform it to Agreements with other recipients of the CDBG funds. The above changes have resulted in a delay in completion of the Agreement and staff is confident that an acceptable Agreement can be worked out, which may not be accomplished much before year end. Staff recommends the Executive Director be authorized with advice and counsel of Agency General Counsel to execute a final agreement which in his judgment protects the interests of the Agency and conforms to Agency policies.

President Berk requested all Commissioners receive a copy of the Agreement with a cover note.

Ms. Blomquist inquired what other unencumbered funds were there and Mr. Hamilton indicated he would have Mr. Bell provide that information.

At this time President Berk turned the chair over to Mr. Lee, 6:00 p.m.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 391-82 BE ADOPTED.

- (p) Resolution No. 392-82, requests authorization to permit the Executive Director to approve individual exceptions to the Personnel Policy that limits the amount of vacation time that can be carried forward into a new year to 30 working days (240 hours).

Mr. Hamilton reported on item (p) as follows. Vacation credits in excess of 240 hours at the close of business on December 31 are deducted from an employee's vacation account after December 31. The purpose of this restriction is to encourage employees to take a vacation and to avoid accruals of vacation credit, which would have to be paid at an employee's separation. Traditionally, the month of December has been a time for many employees to use vacation credit that they would otherwise lose at years end as there is usually reduced activity and workload during the holiday season making it easier to schedule time away from work. However, this year the negotiations with Olympia and York and other work items have put demands on certain staff members that will not permit them use of vacation before the end of the year.

Mr. Newman inquired how many senior staff this applies to and Mr. Hamilton stated it applies to any individual that would make the request to him, but as a practical matter, only senior staff that have these kinds of time demands get caught up in this, so the experience has been with the Project Directors, Executive staff, Area and Division Chiefs.

Ms. Blomquist indicated that she believed the Agency's Senior staff is paid a nice salary and should not put in for compensatory time and she could not support this item.

NEW BUSINESS (continued)

Mr. Hamilton indicated that he disagreed as it is public policy in every jurisdiction he knows of.

At this time President Berk resumed the chair, 6:03 p.m.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. LEE THAT RESOLUTION NO. 392-82 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

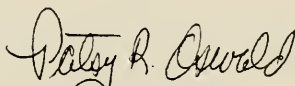
None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Secretary

APPROVED

January 18, 1983

